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NEWS SUMMARY

Thorpe found not guilty

Liberal leader Thorpe and three were yesterday found not guilty of plotting to murder male model Norman...
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Syrian lets sacred

Syrian army cadets were killed and 54 in a massacre in Syria...
 Syrian Government said the killings, opened last Saturday, tried out by members of extremist Moslem...
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Costi resigns

Costi, Italian Christian Democrat, has resigned...
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Men jailed

Men jailed for 8 years were passed...
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Pay delay

Pay delay as acceptance of...
 Pay delay as acceptance of...
 Pay delay as acceptance of...

Prisoners flee

Prisoners fled from...
 Prisoners fled from...
 Prisoners fled from...

Price changes yesterday

RISES		FALLS	
As Jackson	288 + 13	Treasury 13pc 1980	1000 - 10
Aside Props	80 + 3	Amal Power	100 - 8
As Withy	97 + 3	European Ferrites	141 - 6
As GUS 'A'	296 + 8	GUS 'A'	364 - 8
As Hargreaves	262 + 5	Hargreaves	64 - 5
As Higgs & Job	486 + 11	Higgs & Job	58 - 10
As Def	385 + 8	House of Fraser	188 - 4
As Financial	92 + 6	ICI	452 - 5
As Elect	470 + 8	Kitchen (R Taylor)	170 - 7
As Props	115 + 6	Metal Box	274 - 10
As Carpet	25 + 2	Perry (H)	133 - 8
As Dev	173 + 15	Rivington Reed	44 - 8
As	1214 + 25	Kuala Lumpur	44 - 8
As (UK)	318 + 12	Kepong	71 - 6
As Pacific	750 + 60	Kulim	46 - 3
		Rio Tinto-Zinc	282 - 8

Joint oil strategy vital to prevent grave crisis—EEC

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN STRASBOURG

The deepening problems caused by oil shortages and price rises can be prevented from developing into a full-scale world economic crisis only if the consuming countries agree urgently on a joint strategy in which the oil producers are urged to participate, the EEC has concluded.

Leaders of the nine Common Market countries agreed at their European Council meeting yesterday that, as a first step in this direction, the EEC should ask the U.S., Japan and Canada at next week's Western economic summit in Tokyo to associate themselves with a number of broad measures decided here over the past two days.

Butter subsidy

A 6p a pound fall in the price of butter is expected to result from an EEC butter subsidy for Britain agreed during farm price negotiations in Luxembourg. Back Page

proposals to be made by the European Commission and Finance Ministers of the Nine. According to UK estimates, the settlement will add about £150m to its net budget contribution, which was already expected to exceed £1bn next year on the basis of existing EEC policies.

Volkswagen 'may seek to buy Chrysler plants'

BY OUR FOREIGN STAFF

VOLKSWAGEN of West Germany might start negotiations to buy some of the Chrysler Corporation plants in the U.S. which have been closed or have unused capacity, according to the West German Carrel Office.

Both companies denied a report originating in Detroit that VW was to take over Chrysler completely at a price which valued the U.S. group at \$1bn.

GKN to sell Lysaght stake

BY TIM DICKSON

ONE OF Europe's biggest engineering companies, GKN and Nettlefolds, is selling its stake in sheet steel making in Australia for \$90m (£48.8m).

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Money supply curb has priority

By Guy de Jonquieres, Common Market Correspondent in Strasbourg

MRS. MARGARET THATCHER made clear yesterday that the Government was determined to give curbing domestic money supply priority over stabilisation of the sterling exchange rate in the immediate future.

Intentions Mrs. Thatcher appears to have given further indication of Britain's intentions toward the EMS, repeating that the Government would not take a decision before September, when the EEC is due to review the system's operation.

Italy bans UK charter flights

BY LYNTON McLAIN IN LONDON AND PAUL BETTS IN ROME

ITALY YESTERDAY banned all British charter flights into the country in protest at a refusal by Mobil to give Itavia, a private Italian airline, more than its agreed allocation of fuel at Gatwick Airport, London on Thursday.

Up to 3,000 British charter flights land in Italy each year and Italy is understood to be dissatisfied with the proportion of charter trade held by each country. Italy carries only 8.6 per cent of this traffic.

Air services disrupted

BY PHILIP BASSETT AND GARETH GRIFFITHS

AIR SERVICES, particularly from Heathrow and Glasgow were disrupted yesterday by a one-day strike over scientists' and engineers' pay by professional civil servants.

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OVERSEAS NEWS



President Assad of Syria.

Syrian army cadets massacred

By Our Foreign Staff

THIRTY-TWO SYRIAN army cadets have been killed and 54 wounded in a massacre in northern Syria.

The Syrian Government announced yesterday that the killing, which took place last Saturday, was carried out by members of the Muslim Brotherhood, an extremist group.

Brigadier Adnan Dabbagh, the Syrian Interior Affairs Minister, said in Damascus yesterday that cadets were cut down in a hall of machine-gun fire and hand grenades at the artillery school in Aleppo.

General Bernard Rogers, retiring army chief of staff, who is leaving his present job to succeed Gen. Alexander Haig as NATO commander, has explained that this force, nicknamed the "unilateral corps" would consist of the 82nd airborne — the crack U.S. quick alert division — and some other existing units not committed to NATO.

Partly for religious reasons alone and partly because of the influential role some Alawites have obtained in Syria, members of the sect have been victims of a number of massacres, ambushes and bomb explosions over the past three years.

Yesterday Brig. Dabbagh admitted officially for the first time that there had been a series of assassinations in Syrian towns since President Sadat of Egypt's visit to Jerusalem in November 1977.

Observers in Syria believe that many of the attacks have been carried out by Sunnis. Means, who are the majority religious group in Syria, rather than by the extremist Muslim Brothers.

President Assad, who came to power in a military coup in 1970, has been in power for a long period of stability in its post-independence history.

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U.S. changes fuel priority from farms to trucks

BY STEWART FLEMING IN NEW YORK

THE CARTER Administration is ending its priority allocation of diesel fuel for agriculture a month early in an effort to improve supplies to striking independent truck drivers.

In May President Carter had announced that farmers would be supplied with their full fuel requirements to ensure that crops could be planted in what threatened to be a shortened planting period because of bad weather.

The priority allocation was due to expire at the end of July, but over the past two weeks growing diesel fuel shortages have sparked mounting violence and a work stoppage amongst independent truck drivers whose livelihood is threatened by dwindling supplies of diesel and sharply rising prices.

The work stoppage went into effect on Thursday. Early, but not necessarily reliable, estimates by trade associations suggest that as much as 40 per cent of the nation's road hauling capacity has ground to a halt as a result of either work stoppages by independent truckers or threats of violence against truckers who attempt to move their vehicles.

The Administration's action to eliminate agriculture's priority for diesel supplies should make more fuel available for trucks, but railways too will be scrambling for supplies because their stocks are running low.

David Laseelies adds: The large U.S. oil companies, chafing under domestic oil price controls, are reported to have hinted to the Administration that they might stop shipping certain quantities of oil to the U.S. unless the regulations are eased.

Their grievance centres on the so-called transfer-pricing rule, which is designed to discourage international oil companies from transferring oil to their U.S. refining subsidiaries at artificially high prices.

The Department of Energy gathers data on oil prices and sets a price range for traders of this kind on the basis of a monthly average.

However, oil companies argue that this prevents them from passing on the sharply higher prices they must now pay for crude obtained on the spot market.

In an interview with the Wall Street Journal yesterday, Dr. James Schlesinger, Energy Secretary, confirmed that he had had talks with the oil companies about this problem, and had gathered that they might well divert oil away from the U.S. unless something was done about it.

In fact, it is highly unlikely that the oil companies would hold back oil shipments to the U.S.—the political and economic repercussions would be too great. However, the episode is further evidence of the complexities and strains of the U.S. oil supply situation.

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Army planning new strike force

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Army is drafting plans for a strike force of 110,000 to respond speedily to crises outside the NATO area, such as in the Middle East or the Gulf.

General Bernard Rogers, retiring army chief of staff, who is leaving his present job to succeed Gen. Alexander Haig as NATO commander, has explained that this force, nicknamed the "unilateral corps" would consist of the 82nd airborne — the crack U.S. quick alert division — and some other existing units not committed to NATO.

Despite the General's insistence that the force would not be specifically aimed at protecting oil routes in an emergency, the question of military forces has figure prominently in U.S. contingency planning on the Middle East.

There has also been some speculation that the U.S. might be tempted to send its own troops into Nicaragua if a broader multinational peace-keeping force cannot be agreed.

The Defence Department qualified General Rogers' remarks at a farewell Press conference this week, by pointing out that the army plan was only a draft and had yet to be approved by President Carter.

Planning for the new corps has been headed by Gen. Edward Meyer, whom Mr. Carter has picked as the new army chief of staff.

According to the army draft plan, the new corps would not be assembled in any one place. The aim of the plan would be to provide U.S. commanders with a ready force, without their having to go through the time-consuming process of identifying and calling up suitable and available units.

The non-secured arrears are perhaps the most complicated of the various arrears, with over 19,000 separate creditors. The official said that the scheme could be ready before the end of the year.

Mr. Ecevit said yesterday that an early election would not solve the present crisis since it would block the arrival of credits from abroad.

In his 18 months in office Mr. Ecevit's Government has arranged the rescheduling of over \$4bn of foreign exchange arrears inherited from his predecessor, Mr. Suleyman Demirel.

Most suppliers are expected to opt for the second alternative which foresees repayment in foreign currency over a period of seven years.

The first repayment, of 5 per cent of the principal, would be after three years. Repayment would be in mounting six-month instalments, with 55 per cent of the principal being repaid in the last three payments.

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OAS cool on intervention plan in Nicaragua

BY DAVID BUCHAN IN WASHINGTON

MINISTERS OF THE Organisation of American States (OAS) yesterday went into their second day of special debate on the unprecedented call by the U.S. for the resignation of President Anastasio Somoza and the dispatch of an OAS peace-keeping force to Nicaragua.

The call by Mr. Cyrus Vance, the U.S. Secretary of State, for President Somoza's removal — a major policy shift for the U.S. to urge the replacement of a foreign head of state with whom it has diplomatic relations — won much support.

Latin American countries reacted very coolly to the U.S. proposal for an OAS task force to back a new Nicaraguan provisional government.

U.S. officials said yesterday their main aim would be achieved if a majority of OAS member countries could be marshalled behind an expression that President Somoza should leave, and if the OAS makes its presence felt in the Nicaraguan situation.

The U.S. Administration is now in a position to concentrate more closely on the Nicaraguan crisis, following passage of the controversial Panama Canal treaties legislation through the House of Representatives late on Thursday.

Welcoming the House vote, President Carter said the legislation still contained features he did not like. One such amendment is believed to be the rider tacked on by the House that would stop U.S. payments from canal revenues to Panama, if it was clear Panama was interfering in the internal affairs of other countries.

The plan was also rejected by the Sandinista guerrilla movement in a broadcast from "somewhere in Costa Rica."

Latin American opposition to the idea rests on two considerations: first, a generalised dislike of any foreign military intervention, especially one proposed by the U.S.

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President Somoza—main item on the agenda.

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Nkrumah's heirs set for election victory in Ghana

BY MARK WEBSTER IN ACCRA

THE PEOPLES NATIONAL Party (PNP), which is the successor to Dr. Kwame Nkrumah's Convention Peoples Party, will have a commanding majority in the new Ghanaian Parliament, according to the latest results available yesterday.

With only three seats left to declare, the PNP looked set to take an absolute majority of the 140 parliamentary seats with the strong possibility of getting additional backing from some of the minority parties.

The PNP's nearest rival, the Popular Front Party (PFP), which inherited the mantle of former Prime Minister Dr. Kofi Busia, stands to get only 41 of the parliamentary seats.

And the PNP has also taken a convincing lead in the voting for the presidency with nearly 514,000 of the total votes cast as compared with PFP's 432,000.

Under Ghana's new Constitution, there is to be an executive President on American lines.

With the split in the voting between the two leading presidential candidates, there will have to be a runoff within the next 21 days.

Likely winner on the second round is the PNP's Dr. Hilla Limann. Apart from the fact that most people will be expected to back the winning party in the parliamentary elec-

tions in the hope of getting benefits in the future, Dr. Limann has apparently been offered the support of some of the minor parties.

The United National Convention Party (UNC) of Mr. William Offori Atta, which did much worse than expected, gaining only 13 parliamentary seats, is expected to back Dr. Limann.

It is also likely the PNP will get the support of the trades union-sponsored Social Democratic Front (SDF) because of its greater sympathy with the Left-wing.

The disappointing showing of many were predicting an outright win for the party especially as its leader, Mr. Victor Owusu was very well known.

Dr. Limann, on the other hand, was virtually unknown until he was chosen to lead the party only three months ago.

On reflection, some Ghanaians believe Dr. Limann's comparative obscurity as a career diplomat may have been a help while the present anti-corruption measures are being pursued by the new military government.

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The coup which overthrew the previous military government only two weeks before the election may well have benefited the PNP which has a more progressive leadership than the PFP, according to observers here.

But the coup is also thought to be the main reason for the relatively poor turnout. Less than 2m of the registered 5m electorate turned out for the ballot.

None of the parties has what could be called manifestos but have preferred to trade on the history of the parties. In the case of the PNP and the PFP they added some catchy slogans.

The general direction of the PNP is left-wing, with a determined call for a more extensive welfare state to "cover" free education, better health care and social services.

But the PFP, which has fought the image of being the rich man's party, prefers a healthy mixed economy with incentives for private investment. At the same time it believes investment should be led by state intervention.

With pressing economic problems, neither of the parties can spare much time for ideological rhetoric. Both of them are essentially Western looking for the simple reason that most of the aid and trade is with the West.

However, no matter who wins, they will have to wait to see what the military Government does before they can start serious planning for the future. For the moment they are victors in a vacuum.

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S. Africa curbs news about oil

BY QUENTIN PEEL IN JOHANNESBURG

SWEEPING MEASURES to restrict the publication of information about South Africa's oil supplies and reserves came into force yesterday.

The ban, effective both for South Africa and overseas, covers the source, manufacture, transport, destination, storage, quantity or stock level of any petroleum products in South Africa.

The law puts information about oil into the same category as defence secrets, information about uranium and atomic energy. Its purpose is, clearly, to prevent information about oil supplies being used for possible oil sanctions against South Africa.

Meanwhile, the latest oil crisis has started to take its toll, with the first lay-offs being ordered in the motor industry.

Ford has made nearly 300 men — 5 per cent of its workforce — redundant, and General Motors has dismissed 80. Both companies are working a four-day week.

Other manufacturers such as Volkswagen, are less seriously affected, because workers are switching to smaller cars.

In addition to cutting the speed limit to 70 kph (43.5 mph) in major metropolitan areas, further restricting petrol sales hours and raising fuel prices by 40 per cent, the Government is order-

ing drastic reductions in fuel supplies to bulk users. The transport sector is to cut back consumption by an immediate 10 per cent and an additional 21 per cent a month to a total 20 per cent. Similar savings are expected from agriculture.

Road hauliers have said that many may be forced out of business by the restrictions, and by the cancellation of 80 per cent of temporary permits which allow them to carry general goods which the railways cannot accommodate. But a protest convoy from Johannesburg to Cape Town, has been called off after the promise of talks with Ministers next week.

Fuel sales have dropped dramatically and garages estimate the decrease at between 15 and 40 per cent.

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Uganda war cost reflected in tough Tanzania budget

BY OUR DAR ES-SALAAM CORRESPONDENT

TANZANIA HAS published a tough cost-cutting budget for the next financial year to pay for its Uganda war.

The Minister told MPs that Tanzania had a budget deficit last year of \$110m compared with a 1977 surplus of \$75m. Its import bill had risen by 45 per cent and exports had fallen by 25 per cent over 1977.

Donors of Tanzania's estimated \$225m in annual aid were asked to switch from help tied to specific projects to cash for essential imports and government subsidies would be cut to the so-called "protected" (semi-nationalised) industries—except those producing goods for export.

Reuter reports from Kampala: Uganda's ruling Political Front has taken action to end the uncertainty that has left two presidents in contention for leadership of the country.

After a day of riots and shooting in Kampala, the Uganda National Liberation Front (UNLF) has sought to explain why Professor Yusufo Lule was replaced as President two days ago.

In a statement broadcast over Uganda Radio, the UNLF said Professor Lule had tried to "swamp" its National Consultative Council (NCC) by increasing the number of council members and carrying out repeated Cabinet reshuffles.

Two of the three Eurocrats' unions are going on strike. Their decision is reportedly based on the vote of a "mass meeting" of some 300 militants. But even Commission officials who are playing down the strike and its potential for disrupting EEC business forecast that up to 33 per cent of the employees may fail to turn up. The effects could be larger. The militants are planning to picket the Commission's Berlaymont headquarters.

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Turkey restructuring \$1.7bn debt

BY METIN MUNIR IN ANKARA

TURKEY IS preparing a programme to restructure non-secured trade arrears to foreign suppliers totalling up to \$1.7bn.

The programme, which is being drawn up with a political crisis impending, is promised in Turkey's letter of intent with the International Monetary Fund.

The letter of intent is expected to be signed before July 6 and a one-year stand-by agreement for 210m SDRs (\$275m) is due to be approved by the IMF's board of directors about two weeks later.

Mr. Ecevit's party has recently been boycotting sessions of the Turkish National Assembly to prevent a quorum being reached and various motions of censure being discussed. His

Ministers say that he is planning to continue this boycott until July 3 when Parliament recesses for four months.

Mr. Ecevit said yesterday that an early election would not solve the present crisis since it would block the arrival of credits from abroad.

In his 18 months in office Mr. Ecevit's Government has arranged the rescheduling of over \$4bn of foreign exchange arrears inherited from his predecessor, Mr. Suleyman Demirel.

The last major rescheduling to be done is of non-secured trade arrears to foreign suppliers. A senior official at the Ministry of Finance said that it is planned to propose two alternative schemes. The first is that suppliers would be able to draw their money immediately in Turkish liras from the Central Bank and use these to buy stocks or put in new investments.

Most suppliers are expected to opt for the second alternative which foresees repayment in foreign currency over a period of seven years.

The first repayment, of 5 per cent of the principal, would be after three years. Repayment would be in mounting six-month instalments, with 55 per cent of the principal being repaid in the last three payments.

Strike causes petrol drought

SYDNEY—Motorists rushed to buy petrol today before a weekend ban on sales imposed because of a strike by oil refinery workers.

The strike, which began three days ago to back demands for better pay and working conditions, is separate from yesterday's 24-hour national stoppage by an estimated 1.5m workers over the arrest of 10 trade unionists.

Under rationing regulations introduced when the refinery strike started, motorists have been able to buy petrol on alternate weekdays only.

Long queues formed outside the few service stations with fuel yesterday and police expected the petrol drought to cut weekend traffic dramatically.

The 400 refinery operators meet tomorrow to vote on a union recommendation that they return to work and accept the proposal for a new South Wales State Government.

Even if the operators went back to work immediately, however, it would take about a week for supplies to return to normal because of safety precautions in restarting refineries.

Sydney and other industrial cities were counting the cost of yesterday's strike over the arrest of union officials for addressing strikers in Western Australia.

Under state law, police permission is needed to address three or more people. Union officials have promised more strikes if a new law by the State Government does not result in its repeal.

Reuter

Reuter

Reuter

Egypt swaps a Russian MiG-23 for 80 Chinese fighters

BY ROGER MATTHEWS IN CAIRO

Egypt HAS supplied China with a Soviet-built MiG-23 multi-role fighter aircraft in part payment for up to

JK NEWS

Tory move to cut autumn pay claims

ELINOR GOODMAN, LOBBY STAFF

TERS BEGAN a campaign yesterday to persuade union leaders not to let autumn wage claims at their insistence will be a jump in the prices index by the rise in VAT.

the interests of the working people of this country. Much was being made of what he described as "a supposed boost" in the rate of inflation as a result of the VAT increase.

purely politically motivated. "A challenge based not on the interests of people at large but on the interests of a faction who are determined to destroy a democratically elected Government."

Nevertheless he acknowledged that the alternative way which his Budget had opened up was not an easy one. For those engaged in pay bargaining, it was a Budget which made their responsibility "crystal clear."

NGA accused over jobs

BY ALAN PIKE, LABOUR CORRESPONDENT

THE NATIONAL Graphical Association was accused yesterday of being prepared to sacrifice the jobs of 600 members at Times Newspapers whom it has told to find new work.

Since Times Newspapers suspended publication on November 30, the NGA members have been supplied by £80 a week union benefits.

more than about 100 of their 600 Times members. The move might therefore provoke a new initiative to resolve the dispute before many of the Times men start other work.

Labour must scrap patronage—Benn

OUR LOBBY STAFF

ANTHONY WEDGWOOD V, the former Energy Secretary, yesterday launched a bid in a week to the power of the Labour hip.

trated on patronage. The labour movement, he said, had always opposed unaccountable power "whether in the House of Lords or by multinational companies, world bankers or the secrecy surrounding the operation of the government machine."

Shell plans to close oil depots

By Sue Cameron

SHELL UK is planning to close five oil storage terminals during the next 18 months. The plan is part of a rationalisation scheme and it will mean a cut of only about 4 per cent in Shell's total oil storage capacity in the UK.

Hercules re-design may create jobs

BY LYNTON MCLAIN

LOCKHEED, THE U.S. aircraft company, is designing a new civilian version of the Hercules transport that might lead to extra work for Britain's aerospace industry.

from the Hercules programme, with an RAF contract to overhaul the U.S. Allison engines.

Not all that dead, but...

NEWS ANALYSIS—THE TIMES

REPORTS that The Times is dead may be premature, or as Mark Twain said on reading his own obituary, "exaggerated."

of becoming seriously demoralised. In spite of these depressing facts, the Times management's determination not to give way entirely to the unions seems as strong as ever.

For the rest of the summer it looks very unlikely that agreement can be reached, if only because many of the union leaders will be on holiday.

x certificate rate to be 13 1/2%

ANCIAL TIMES REPORTER

ATE of interest payable certificates of tax deposit will per cent from Monday.

certificates held for more than six months is being dropped on the grounds that the basic rate is sufficiently attractive in its own right.

Terminals

Shell said yesterday it had acquired the five terminals when the Shell Mex and BP company was divided up between Shell and BP in 1974.

Years of struggle ahead—Joseph

A WARNING that Britain's road to recovery would be a long, uphill struggle which might take years was issued yesterday in Liverpool by Sir Keith Joseph.

area, said that the Government could not wave a magic wand and create new wealth in the region.

He said this after his union executive decided that the 600 members at The Times, the elite of the printworkers, should be allowed to look for other jobs.

It would like computer-typesetting terminals to be operated by journalists, whereas the NGA insists that only its members should be allowed to touch the keyboards.

Then, in the absence of agreement, Lord Thomson would probably have to quit, or to surrender on object terms.

How the private investor can benefit from increasing energy prices

ENERGY INDUSTRIES FUND

A unit trust offering a worldwide spread of investment solely within the energy sector

Save & Prosper Energy Industries Fund provides a portfolio invested internationally in energy and associated industries.

The problems of the last five months in Iran have resulted in a marked reduction in the world's oil supply.

* A 9% increase on basic oil prices was introduced on 1st April plus special surcharges, resulting in price increases of between 24%-31% during the first half of 1979.

* Demand for oil and oil-related products remains strong and profit margins of oil companies are widening.

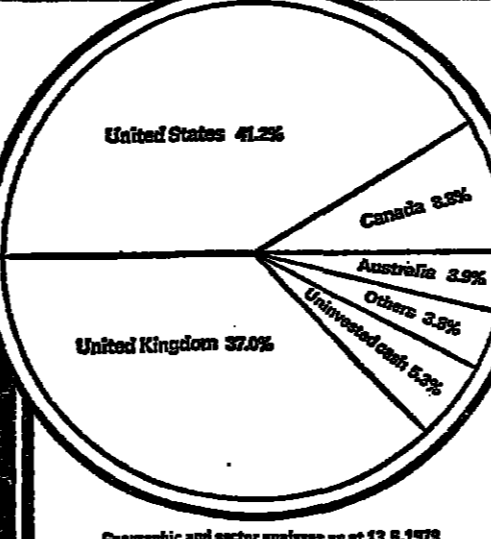
* In the USA oil prices will rise in stages with a consequent benefit to domestic producers.

* Prospects for oil discoveries in the Rocky Mountains, Louisiana, Texas, Mexico, Western Canada and parts of South East Asia are bright and this should benefit companies committed to exploration.

* Demand for coal and gas in the USA is likely to remain firm as oil prices rise to world levels.

We believe that the portfolio of Energy Industries Fund is well structured for present conditions. More than half the fund is invested in oil companies, both in Britain and the USA, and we expect their shares to outperform many other sectors of the stock market.

Table with 2 columns: Investment Category and Percentage. Includes Oil (International) 17.5%, Oil (U.S. domestic) 7.2%, Other oil producers 29.9%, Coal/Gas 2.0%, Gas 5.7%, Drilling contractors 4.5%, Oil services/supplies 10.9%, Other groups 7.0%, Uninvested cash 5.3%.



exploration throughout the world are likely to become financially viable, creating greater demand for the services of such companies.

Although no equity-based investment is without risk we firmly believe that prospects for Energy Industries Fund are good.

Fund performance

From the launch of the fund in January 1973 to 19th June 1979 the offer price of units has risen by 78.6%, compared with a 21.8% increase in the F.T. Actuaries All-Share Index.

You should also remember that changes in exchange rates and in the investment currency premium can affect the value of your investment as much as stock market fluctuations.

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Save & Prosper was founded in 1934 and in addition to being Britain's largest unit trust group is also a major force in life assurance, pensions and annuities.

At 2nd April 1979 the Group managed £1,000 million for some 700,000 investors.

How to invest

To make a lump-sum investment please complete and return the coupon together with your cheque.

Units may also be acquired on a regular monthly basis. For further details please complete and return the coupon, ticking the appropriate box.

GENERAL INFORMATION section containing details about the fund's investments, charges, and distribution policies.

Application form for a lump-sum purchase of units in the Energy Industries Fund, including fields for name, address, investment amount, and signature.

SAVE & PROSPER GROUP

UK NEWS

Ex-minister to head platform group

By RAY PERMAN, SCOTTISH CORRESPONDENT

DR. DICKSON MABON, Minister of State for Energy in the last Government, has accepted the chairmanship of the Anglo-Dutch platform construction company, Redpath De Groot Caledonian after being refused a shadow Cabinet position.



Dr. J. Dickson Mabon

"I declined, with the explanation that I would prefer to have a No. 1 place. I am disappointed that I did not get elected to the shadow Cabinet but I propose to stand again next time and to get a portfolio of my own."

He added that he intended to remain as Labour MP for Greenock and had been advised that the chairmanship of RGC did not count as a post of profit under the Crown, which would disqualify him from staying in the Commons.

Redpath De Groot Caledonian is 48 per cent owned by the British Steel Corporation and the Scottish Development Agency has a further four per cent. "No minister needs to be consulted and none has been consulted," he said.

During his period of office at the Department of Energy, Dr. Mabon earned a reputation for the aggressive role he played in steering oil industry orders towards British yards. He was instrumental in persuading Texaco to let a share of the work on the Tartan Field platform go to RGC's Methil yard in Fife, instead of being built entirely in France.

Texaco recently claimed this had added £2m to the cost of the project. Mr. David Waterstone, who steps down as chairman to become executive deputy chairman of Redpath De Groot Caledonian, said Dr. Mabon had immense experience of the energy industry and the company would profit greatly from his help.

When RGC was formed last April, the steel corporation wrote off the Methil yard's £12m losses, but the merger with the Dutch De Groot group paid off in winning orders. After completing its share of the Tartan contract on time, the yard now has £13m in orders.

But Mr. Waterstone said the company would show a loss on its first year. "The extended winter weather cost us a great deal of money and we are certainly going to have to tighten our belts and increase efficiency. We have plans to extend our offshore interests into hook-up, electrical and pipework engineering."

Gold Fields suspends Tennessee coal plans

By Paul Cheeswright

CONSOLIDATED Gold Fields' plans to expand its operations in North America have been checked by a decision, announced yesterday, to suspend operations at a coal property near Dunlap, in Tennessee.

The London-based group had planned to spend more than £18m by 1980 on developing two underground mines to produce 1m tonnes a year of metallurgical blending and low sulphur steam coal.

In fact, only a small portion of this sum has been spent on what has become an unsuccessful exploration venture.

No profits could be anticipated for the foreseeable future, Gold Fields said, reflecting the declining tendency in U.S. coal prices. It is also believed that the extent of the reserves proved to be less than the group had once expected. Gold Fields is not alone in cutting back its coal operations. Other companies in the same area have also been shutting down.

Activity at Dunlap has been in low key. Gold Fields has had about 30 men working on the 34,000 acres of property and they have been producing some 2,000 tonnes of coal a month during the exploration programme. Only one section of one mine had been opened up and no major development has taken place.

LABOUR

Tube arbitration award held up

By PHILIP BASSETT, LABOUR STAFF

LONDON TRANSPORT postponed agreeing an arbitration award of increases worth about 14 per cent for 23,000 Tube workers yesterday, saying that full implementation would place it in "acute financial difficulty."

The National Union of Railwaymen, which suspended a threat of an indefinite strike by its 15,000 Tube members to allow the pay dispute to go to arbitration, accepted the terms of the award.

Union officials made clear, though that the strike call would not be lifted until London Transport also accepted the terms. London Transport said that its executive needed time to

consider the award's "serious implications" for passengers and staff and for its own future.

The executive said before the arbitration that an award higher than its 10.3 per cent offer could not be met other than by a further fares increase, or increased productivity.

Tube fares rose by an average of 7 1/2 per cent last Sunday and a special 12 1/2 per cent rise is proposed for September to cover the cost of the 10.3 per cent offer alone.

LT officials recognise, though, that improvements in productivity might save off some fare rises, and the arbitration tribunal expressed the hope in its report that both sides declared willingness to consider produc-

tivity improvements would lead to changes in operations, in particular the development of one-man operations on certain Tube lines.

The award, which is not binding on any of the parties gives an 11 per cent increase in basic rates, consolidates an existing £2 supplement and proposes payments for adjusting relativities.

A rillman's rate will go from £45.25 to £52.23 (LT offer, £51.25); a grade 14 signaller from £51.55 to £72.75 (LT offer, £69.47); a guard/motorman from £38.49 to £52.73 (LT offer, £50.29); a motorman from £36.04 to £47.71 (LT offer, £47.05); and an automatic train operator's from £75.78 to

£89.42 (LT offer, £88.06). The award also proposes talks for a new wages structure based on 1975 relativities for next year's settlement.

Mr. Sid Weighell, NUR general secretary, said the award was satisfactory with the union, which confirmed with the level of settlement the NUR was seeking. The three rail unions were claiming increases of 17.30 per cent.

The other two rail unions, the train drivers' union ASLEF and the white-collar Transport Salaried Staffs' Association, which have far fewer Tube members than the NUR, both accept the award as the basis for final negotiations with London Transport on implementation.

Too much consumer protection, says CBI

By Our Consumer Affairs Correspondent

EXCESSIVE INTERVENTION in industry and commerce on behalf of the consumer is criticised by the CBI in a policy paper on consumerism.

The paper, approved by the CBI Council, suggests that there is a strong feeling among businessmen "that the present tendency is to intervene too much in the supposed interests of the consumer."

The CBI points out that the consumer has the ultimate power of refusing to buy the goods on offer, and he is not reluctant to use this power against the largest and most apparently powerful companies in the land.

The CBI also argues that, in certain areas, "attempts at consumer protection have already reached the stage at which the costs outweigh the benefits, and that the resulting waste of resources is damaging to the national economy."

The CBI admits that "it may from time to time be necessary for the State to intervene in the relations between businesses and consumers as part of its function of establishing and maintaining the conditions for the operation of a free and competitive market economy."

The paper is based on the five basic rights of consumers which have been identified by the EEC. These are: protection of health and safety; protection of economic interests; right of redress; right to information and education; and the right to representation.

The CBI welcomes the adoption of the EEC of the concept of the consumer's role in the production and distribution process.

Peak sales of British wine likely

By Colleen Toomey

RECORD SALES for British wine of 100m gallons this year were forecast by the Wine and Spirit Association yesterday. In spite of a 3 1/2 per cent decline in the first two months of this year due to bad weather and the lorry drivers' strike.

Mr. Vincent Larvan, chairman of the association said in London that wine sales through 1979 would be erratic. "But looking forward to the year-end, overall volume growth of 10 per cent on the year is not an unreasonable target," he said.

The increase to 100m gallons would depend on the continued stability of wine duty, in which there has been no increase since 1976.

But the wine trade still represents the obligation to pay duty on wine as it is imported even though it often takes up to three months to receive payment.

Despite repeated pleas to the Government—both under Labour and the Conservatives—wine importers have failed to get a duty deferment facility introduced. The association said yesterday that further representations to the Government would be made before the next Finance Bill.

The association's confidence in the growth of the trade was yesterday shared by Mr. Roy Laurence, drinks marketing manager for the Co-operative Wholesale Society, who claimed that wine consumption was moving "down-market."

Coal expansion 'vital for long-term energy'

By JOHN LLOYD

MR. DAVID HOWELL, Energy Secretary, has assured the coal industry of the Government's belief in its "vital importance," but has drawn attention to the "difficulties" it is now experiencing.

He has said that he intends to continue the system of tripartite consultations—taking in the Government, the industry's management and the unions—which were brought in by the previous Government.

Appearing with Sir Derek Ezra, chairman of the National Coal Board and Mr. Joe Gornley, president of the National Union of Mineworkers, at a seminar on coal organised by the Coal Industry Society, yesterday, Mr. Howell said that "the long-term energy outlook offers coal an important opportunity—unusual for industries of such long tradition and history—of reasserting its place in the energy supply of this country."

"There must continue to be substantial investment in the coal industry so that the industry can re-equip itself with modern capacity to provide a secure, efficient base for future expansion."

Mr. Howell was careful to show that he was aware of the industry's shortcomings, calling attention to delays in the introduction of new capacity and that certain markets, especially coking coal, had been weak. "It has to be recognised that the performance looked for in Plan for Coal has not yet been forthcoming."

Sir Derek admitted that the severe winter, coupled with a series of industrial actions, would have a "disastrous" effect on NCB results for last financial year. In the present year, however, the board would make coal sales of 125m tonnes, 10m tonnes up on last year.

Investment in the industry over the next 10 years would outstrip the resources generated by the NCB itself. "We are investing much more than a short-term view would indicate, but we must if we are to safeguard our future."

Mr. Gornley said that the miners were aware of the responsibility which Plan for Coal placed upon them. He would tell his members of the need for greater productivity at the NUM conference next month. "But we have got to give confidence back to the lads. We have got to tell the lads in the pits that their future is not going to be attacked. I take full responsibility for getting this message across."

Scheme for modernising London flats praised

By COLLEEN TOOMEY

A GREATER LONDON Council housing scheme for modernising an inter-war flat in four days and cutting costs by £12,000, excluding structural changes, was praised by the Department of the Environment. The department recommends that other housing authorities in Britain follow the GLC's lead.

Mr. Geoffrey Finsberg, Parliamentary Under-Secretary of State, Department of Environment, commended the GLC on the scheme. "It can and does provide central heating and a newly-equipped bathroom and kitchen for each flat within the space of four days. It does this with the minimum of disturbance to their lives," he said.

Commenting on a department study published yesterday on the "four-day" package, Mr. Finsberg said there were many housing authorities with a considerable stock of older dwellings which fell short of modern standards. Modernisation could

often mean considerable disruption and inconvenience for tenants. In addition, housing authorities were faced with providing alternative accommodation for tenants.

Since the four-day package scheme began in 1974, the GLC has modernised 3,773 flats. It plans to nearly double the number of improvements for 1978-79 to 4,000 flats compared to the previous year and now proposes to extend the scheme to 1,000 cottages.

The Environment Department report concludes that the scheme, is successful because it is financially sound, it leaves tenants in their own homes thus avoiding disruption; it is economic in administrative terms; and is popular with tenants.

The Four Day Package. A study of the GLC's experience in the rapid modernisation of inter-war flats with tenants in residence. Department of Environment (by Shankland Cox Partnership), 2 Marsham Street, London SW1P 3EB. £1.20.

McLean to spearhead Hampshire land plan

By ANDREW TAYLOR

MCLAN HOMES, part of Tarmac construction group's house building division, is to combine with a Hampshire landowner to develop a new 1,000 acre private residential estate. McLean has joined forces with Chamberlayne Estates to form a new company—Chamberlayne McLean—which will manage the development.

The new company says it will "virtually act as its own local authority" and strictly vet all plans put forward by the various developers involved.

The first 65 acres have been sold to a number of construction companies, including McLeans and started on the first phase has been worked.

Other companies involved, in the first phase, which is expected to be completed in the next 18 months, include Taylor Woodrow, Wimpey and Unit Construction.

Supervisors halt payroll work

POST OFFICE supervisors who oversee the computerised staff of telecommunications staff carried out their threat not to report to work yesterday—but the staff will be paid basic wages by manual methods.

Action on council land 'hoarding'

By Andrew Taylor

THE GOVERNMENT is considering creating a register allowing the public to challenge unnecessary land hoarding by local authorities.

Mr. Michael Heseltine, Environment Secretary, told the Institute of Housing Conference in Brighton yesterday that a register would assist identification of land available for development.

It was vital that land should not be left lying around vacant and idle, particularly in towns, while builders were short of development sites.

"I am therefore looking at a number of positive measures which might be taken to encourage the release of surplus land," Mr. Heseltine said.

As a first step, the Government has abolished the requirement that Crown land be offered first to local authorities and the Housing Corporation. Local authorities would also be expected to offer surplus land on the open market.

Mr. Heseltine said that it was important to remove the Government restrictions that had in recent years stifled initiative, clogged the system and added to costs. He emphasised the need to increase people's freedom of choice in the public and private sectors.

Mr. Heseltine saw a need to increase the level of rehabilitation work. He suggested an overhaul of the improvement grant system to provide greater flexibility and remove some of the Government-imposed requirements that had discouraged people from applying for aid.

The Government intended to concentrate its resources where housing needs were most acute. Public sector housing building programmes would not stop because of planned council house sales.

Industrial aid cuts 'will hinder exports'

SIR JOHN METHVEN, Director General of the Confederation of British Industry, gave a warning yesterday that the Government must move "cautiously but with determination" in reviewing industrial aid policies.

Drastic cuts would make it even more difficult for industry to compete abroad. Aid should be available to assist investment from overseas.

However, Sir John, speaking at the North-West Industrial Development Association's annual meeting at Oldham, added that some schemes of assistance needed to be examined strictly.

Cuts in the industrial support budget would be least damaging if applied to labour retention subsidies, selected aid schemes and the short-time work schemes. There should be no further sector schemes giving aid on a selective basis.

Labour's union affiliates up

TRADE UNION membership of the Labour Party rose by 158,000, more than 2 1/2 per cent, last year to reach a total affiliated figure of 8,051,199. The Transport and General Workers' Union increased its affiliation by 88,000 to 1,162,000. The Amalgamated Union of Engineering Workers reduced its numbers by 1 per cent to 1,000,050.

Corby steel men march to London

NEARLY 30 steelworkers, some of them middle-aged, set out on a five-day Jarrow-style march from Northamptonshire to London today.

They are employed by the British Steel Corporation in Corby, Northants, and are protesting over plans to phase out steelmaking at their plant at a cost of nearly 6,000 jobs. They hope that 16 coachloads of work-mates will travel down to join them on the final day.

The steelworkers will then march on Parliament to hand a petition signed by 10,000 to Sir Keith Joseph, the Industry Secretary. British Steel Corporation say they can save £40m a year by bringing in steel from outside sources to continue tube making at Corby.

'Go back' call to Liverpool dockers

THE PORT OF Liverpool was at a standstill yesterday apart from work by a few men employed by two private stevedoring companies in coastwise shipping areas. Meanwhile 440 dockers employed by T. and J. Harrison, who had remained at work, walked out at the start of the shift, bringing the total number on strike to 3,991.

Twenty-seven ships lay idle in the port. Fourteen have been diverted elsewhere.

Liverpool Port Employers' Association published a 400-word advertisement in the Liverpool Echo addressed to all port workers. It called on the dockers to go back at once. It spoke of the disruptive action and the

crippling effects of the week-long strike.

It added: "For every day these strikes continue, jobs will be lost in the port and on Merseyside in general. The strike is seriously jeopardising Liverpool's hard-won reputation."

In spite of the appeal, there is no likelihood of a return before the mass meeting called officially by the Transport and General Workers' Union, tomorrow morning in Liverpool Stadium. The officials will explain that no more money is available beyond the 14 per cent pay package deal. It iron out differences which their men claim are being eroded.

Power men warn the Government

By Our Labour Staff

UNION representatives of 40,000 white-collar power workers warned the Government yesterday that they would maintain "total opposition" to any plans to sell off parts of the state-owned electricity supply industry.

The National and Local Government Officers' Association said it was alarmed at Government proposals to dispose of public assets to private sector buyers. Mr. Geoffrey Drain, general secretary, said: "The irresponsible sale of public assets will not help the economic status of the country. The whole tenor of the Budget will lead to a bonanza of private greed and public stagnation."

The union, which represents the majority of white collar workers in the electricity supply industry, said it would seek support from other unions. It was totally opposed to the disposal of any part of the industry to private enterprise and to the merging of show-rooms or any other functions with other nationalised industries.

Dunlop unions suggest new products

DUNLOP'S TRADE unions submitted proposals for introducing new products at the company's Merseyside plants at yesterday's first meeting of a joint working party set up in the wake of the Speke tyre plant closure.

The company agreed to set up the working party in return for the unions' calling off picketing and other industrial action in protest at the shutdown.

The unions hope that new products will provide extra employment in existing plants for some of the 2,300 workers who lost their jobs at Speke. They also believe that equipment in the former tyre-making plant can be adapted to make other products.

Quarterly analysis of bank advances

to UK residents by banks in the UK at May 16, 1979; as Table 4 in the Bank of England Quarterly Bulletin.

Table with multiple columns: Advances to UK residents, Changes, Advances only amounts outstanding, and Services. Includes sub-tables for ADVANCES TO UK RESIDENTS, ADVANCES ONLY AMOUNTS OUTSTANDING, and SERVICES.

THE WEEK IN THE MARKETS

Profits under pressure

SHARE PRICES wobbled in the week, energy stocks probed the excitement on the Exchange floor this week. The Saudi Arabian oil market broadly dismissed the view that the current oil price could look like a mere event of trivial consequence, it seemed that any oil with energy, or resources in its name or a punt. North Sea oil prices rose sharply, and share prices in the sector moved away from their weights. BP and Shell, seen tumbling higher in the few days.

being absolutely certain of getting their money even in the event of a nuclear holocaust. That may be called over-insurance. And they also argue that shareholders would not understand if the nominal dividend had to be cut to compensate for the big scrip element in a Hanson-type issue.

Rights issue

Thomas Tilling's share price is under a cloud. It is no-one's fault that three quarters of its recent £57m rights issue has been left with the underwriters. That was entirely the result of the sharp decline in the stock market during the period of the issue—and underwriters earn their fees for providing protection against just such a short term swing. They cannot complain, since this is the first time they have had to dig their hands deep into their pockets for more than 2 1/2 years.

LONDON LOOKER

There could well be quite a large overhang of shares available in the stock market seeking a more permanent home.

Smokestack

Months now, the stock has been treating smoke-Britain with suspicion. Prices of companies tied to manufacturing industry seem lagging well behind the frontier service and sectors, and statistics for this week helped to

While the Tilling issue was limping sadly to a close this week, another leading conglomerate—Hanson—Trust was taking quite a different approach to raising new funds. It came out with a £17m rights issue, and instead of going to the expense of paying underwriters to pitch the rights to the market price that no conceivable market slide could make the issue fail.

There is a great deal to be said for this approach. Companies usually reject it—but for phoney reasons. Their merchant banks persuade them that the underwriting commission is a small price to pay for

Long term shareholders need not worry too much, since this is already discounted in the share price—which has fallen by a fifth since the issue was announced, compared with a much more modest decline of about 5 per cent in the FT-Actuaries All Share Index. But the onus is now very much on Tilling's management to justify their expansion ambitions.

Electronics

Everyone agrees that there is room for a major reorganisation of the UK electronics industry but no one seems to have decided yet on what form it should take.

First to appear was Ferranti, which the Government rescued from near collapse a few years ago. Last autumn, the company made its stock market debut—and after a couple of years of dizzy profits growth everyone was expecting great things since it is heavily engaged in the fashionable "defence electronics" business.

Unfortunatly, instead of the £11m-£12m some analysts had been expecting, Ferranti's profits

only managed to rise by 9 per cent to £9.9m.

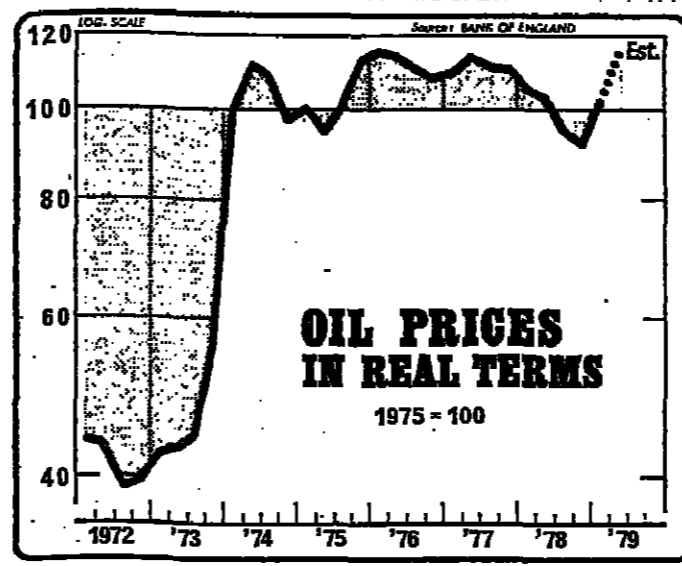
The next company to appear was Racal Electronics, the ambitious growth star of the UK electronics industry. Unlike Ferranti, it did not let its fans down. It had forecast pre-tax profits of over £57m—and it produced £61.6m. Ten years ago it made under £2m and analysts are forecasting that its profits will continue growing at a steady 25 per cent per annum for several years.

Racal does not give many secrets away about its line of business but it is mainly involved in radio and data communications and roughly half its sales goes to armies around the world. A few years ago it was much smaller than companies such as Plessey, EMI and Decca, but now it is considerably larger in both terms of profits and market capitalisation.

Boards ahoy

Furness Withy, the British shipping group went on the offensive this week to ward off the attempts by Mr. Paul Bristol, the chairman of KCA International, and Mr. Frank Narby, chief executive of Euro-Canadian Shipholdings, to gain an influence over its affairs.

Mr. Bristol, whose company holds 12.13 per cent of Furness shares, wants a seat on the Furness board. Mr. Narby, who has had to reduce his holding in Furness to 10 per cent at the request of an earlier Monopolies Commission ruling, is backing Mr. Bristol. Between them they have big plans for the group.



before it does, it may decide to come up with its own blueprint for reshaping the industry.

Their plans are to be put before shareholders at Furness Withy's annual general meeting next Thursday.

Furness has other ideas. It has a low opinion of KCA's record under Mr. Bristol. It thinks his plans are too sketchy, and are likely to lead to heavy financial burdens for Furness.

Mr. Bristol and Mr. Narby had been relying on the support of Mr. Keith Wickenden, chairman of European Ferries, who holds a 5 per cent stake in Furness.

But Mr. Wickenden is tired of his name being bandied about by the Bristol-Narby camp without his permission and is cooling towards their proposals. So Mr. Bristol and Mr. Narby are going to need the Nelson touch to bring off their raid at next week's meeting. Uncommitted shareholders should give them the thumbs down.

MARKET HIGHLIGHTS OF THE WEEK

Ind. Ord. Index	Price Ytd	Change on Week	1979 High	1979 Low	Squeeze on industry profits
Gold Mines Index	185.4	+ 2.5	208.4	129.9	Strength of bullion price
Bertam Cons.	170	- 30	228	103	Dull plantation sector
BP	1210	+ 68	1246	882	Increased revenue hopes
Brown (J.)	511	+ 22	592	356	Hopes of dividend boost
Caps Inds.	188	+ 12	196	130	Bid speculation
Cartiers	130	+ 14	143	106	Bid speculation
Century Oils	80	- 7	89	60	Proposed £1.3m rights issue
Davis (Godfrey)	125	+ 5	128	88	Good annual statement
Hwyer Sliddeley	192	+ 12	278	194	Cautious statement on outlook
Heron Motor	567	+ 14	594	41	Bid approach
House of Fraser	188	+ 8	200	125	Revised bid speculation
ICL	452	- 18	545	420	NEB may sell stake
IASMO	258	+ 32	258	124	Increased revenue/bid hopes
MFI Furniture	152	+ 28	156	54	Investment demand
Maynards	150	+ 18	156	124	Speculative demand
Metal Box	274	- 28	358	274	Sterling effect on o/s earnings
Siemens, Hunter	781	+ 16	78	54	Bid approach
Tecalemit	154	+ 9	156	123	Good annual results
Wankie Colliery	63	+ 7	65	26	Bright outlook for coal

U.K. INDICES

Average week to	June 22	June 15	June 8
FINANCIAL TIMES			
Govt. Secs.	70.72	71.51	72.84
Fixed Interest	72.59	73.29	75.08
Indus. Ord.	481.1	489.4	510.9
Gold Mines	186.3	187.3	202.6
do. (Ex 5 pm)	163.0	161.3	165.4
Tel. bargains	15,008	19,045	16,498
FT ACTUARIES			
Capital Gds.	246.23	254.10	266.06
Consumer (Durable)	232.24	236.32	246.75
Cons. (Non-Durable)	236.43	238.36	247.17
Inds. Group	238.05	242.21	252.02
500-Share	271.95	275.61	286.95
Financial Gp.	190.91	193.65	199.66
All-Share	249.30	253.09	262.60
Red. Debs.	57.51	58.92	60.01

Judge nudge, wink wink

GOVERNMENT, or lack of it, Dow Jones Industrial Average this week, disguises a midsummer madness has gripped the stock market.

It reached a fitfully climax yesterday when the Dow Jones Industrial Average was delayed because of a Volkswagen was up \$15 a share taking. At times in the past it has seemed that only Motoren and Exxon are out as possible takeover

A host of companies been putting out state- either that they were a combination with other unidentified com- or that they could not strong activity in their which had apparently sold by merger or takeover.

Corporation, an insur- holding company, and ion Spark Plug, which no introduction, set the

theme of the week on Monday. NLI's assertion that it was not interested in a combination with Ashland Oil, which had acquired an option to buy about 3m of its shares, or anyone else did not deter position taking which pushed its price up by 1 1/2. Champion, meanwhile, took one leg out from

NEW YORK

under its stock with a denial that a foreign company was interested in buying it. Speculators retreated merely to take breath for Wednesday when the market seemed to be totally immersed in a "nudge wink" approach to invest- ment. No fewer than four com- panies felt bound to express

mystification as to the interest in their stocks. SCM Corporation, which manufactures everything from typewriters to spices and sauces, was puzzled by a sudden wave of popularity. William Wrigley Jr. whose products tone-up the nation's jaw muscles, could not explain why investors suddenly wanted to chew on its stock. Tandy's, handcrafts manufacturers, was bemused by a price climb of 1 1/2 to \$4 while Integon Corporation, an insurance underwriter, was no less surprised to find itself on a number of buy lists.

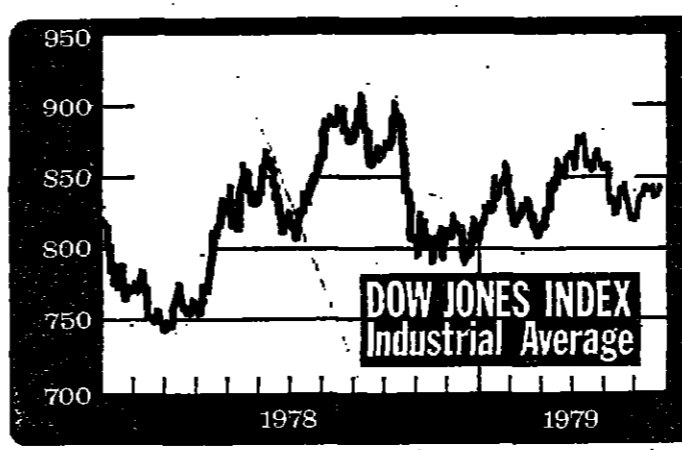
Walter E. Heller, a commercial financing company, has been advancing in price ever since it disclosed that it had been approached on a possible merger by a foreign company.

But on Wednesday, the price unexpectedly dropped 1 1/2 cents by all things of the New York Stock Exchange floor by the heavyweight boxer Larry Holmes. Mr. Holmes proved

more interesting to some brokers than the market and when they drifted away to see the man who may assume Muhammad Ali's crown, the specialist trading Heller was left with a fistful of sell orders and a temporary dearth of buyers.

Trading was halted because of a takeover bid for the share was unable to make up its loss before the close.

This would no doubt have brought a flicker of irritation to the men who have been responsible for much of the activity, mysterious or explicable, in so many stocks this week. They are specialists in so-called risk arbitrage—the business of speculative buying of either actual takeover candidates or possible and rumored ones. Broadly, their aim is to profit from the spread between the price they buy at and the price at which the stock is purchased by the takeover company. Their risk is that they must make judgments on the likelihood of a takeover going through if the acquisition bid is resisted by the target company. When they act on rumours they risk them



proving to be false. The reward can be so large that most of the large brokerage houses employ arbitrageurs who can also at times cost their companies a packet—the failure of the American Express bid for McGraw Hill earlier this year, for example, collectively cost Wall Street arbitrageurs several million dollars.

Their prominence in the market at the moment highlights its general lack of direc-

Monday	Tuesday	Wednesday	Thursday
839.40	839.40	839.43	843.64
			+ 0.43
			+ 3.81

Breezy confidence in the face of gloom

MINING

PAUL CHEESBRIGHT

GLOOM descending over ancillary ministries of the does not seem to have ated the boardrooms of mining companies. While international experts e with the problems of n, energy shortage and recession, predictions of profits have been com- on the natural resources

year will be the best in history of Cominco, said V. G. Wilson, executive resident of the Canadian metals and fertilisers.

But he qualified the yet for 1980: earnings unlikely to be better than 9.

prize for confidence prob- goes to Texasgulf, the cutest group which draws half of its pretax earn- from Canada and in which a Development Corpora- a state-sponsored agency, a 30 per cent stake.

re time is right for Texas- because world demand for essential resources we pro- will continue to accelerate e we can see into- ure and our products command higher prices," d Dr. Charles Fogarty, the nan.

tainly such buoyancy has been translated into action

engaged in heavy investment programmes. Assuming that the international economy will take some years to adjust to the latest round of fuel price increases and a lengthy period of oil shortages, they could be lucky and have them completed in time for an upturn.

The latest expansion news has come from Cominco, which has hardened its plans for the development of three new mines over the next five years. The group expects to spend C\$600m (£289.6m) on zinc-lead properties at Que River in Australia and Arvik in the Arctic and on the Valley Copper deposit in British Columbia.

By far the biggest of these projects is Valley Copper, where the orebody is large—about 800m tons—but is low grade. The mine would have a life of about 50 years, based on an ore milling rate of some 60,000 tons a day.

Development at Valley Cop- per will strengthen the growth of the British Columbian min- ing industry, which this week received another fillip from the announcement by Denison Mines that Romania has signed a sales contract for coal from the Quintette metallurgical deposit.

The agreement, which has been in the offing for some time, provides for the sale of between 25m and 30m tons of coal over a period of 30 years, with deliveries starting in 1983 at a rate of between 1.5m and 1.5m tons a year.

Quintette has been a project looking for a customer ever since a feasibility study was completed in 1977. Its present ownership is Denison, the project manager, with 38.25 per cent. Esso Resources Canada, the Exxon unit, with 16.75 per cent, and Mitsui Mining and Tokyo Marine of Japan, with 22.5 per cent each.

But the equity stakes could change. Over a year ago the Romanians suggested they would like to consider taking a 10 per cent stake. This would no doubt be welcomed, not only as a means of forging east-west links, but as a way of spreading the development costs. The Romanians would probably make their financing contribution through the provision of equipment.

The expansion of the South African gold industry could be taken a stage further if, as is expected in Johannesburg, West Driefontein extends its mining life by exploiting ground to the north of both its lease area and that of East Driefontein. Gold Fields of South Africa, the parent mining finance house, has completed drilling and is now considering mining plans and a means of financing them.

The tangled internal affairs of Hemerson Mining and Smelting, engaged in an exploration joint venture for tungsten and tin outside Plymouth, could be unravelled by the autumn. Dunwoody is, has reached by investors, has reached by draft agreement with the com-

pany's original promoter on a share distribution, which will be put to the Supreme Court in Bermuda where the company is registered.

Beratit Tin and Wolfram has worked out the exchange con-

rol details with the Portuguese authorities on the receipt of dividends from its operating subsidiary. It expects to pay shareholders a 4p dividend this year from the results of 1978 operations.

TIN OUTPUTS COMPARED

	May 1979	April 1979	Total to date (months)	Same period previous year
Anal. of Nigeria (tin)	166	166	(1)	124
Anal. of Nigeria (columbite)	19	19	(1)	38
Aokam	95	114	1,346	(11)
Ayer Hitam	284	155	2,189	(11)
Berjuntai	323	335	323	(1)
Bisichi Jantar (tin)	4	4	3191	(11)
Anal. of Nigeria (columbite)	4	19	19	(1)
CRM Sri Tunab	140	353	379	(5)
Es Lands Nigeria	4	26	102	(4)
Gevevor	96	90	186	(2)
Gold and Base (tin)	4	26	102	(4)
Gopeng	1541	1572	1,282	(8)
Idris	231	243	114	(5)
Kamunting	54	60	114	(2)
Kinabatangan	31	40	283	(8)
Kinta Kelias	22	31	691	(2)
Kuala Kampar	30	10	40	(2)
Lower Perak	16	12	16	(1)
Malayan	338	286	2,964	(11)
Pahang	137	122	1,129	(10)
Pengkalan	301	301	101	(8)
Petaling	561	121	835	(7)
Rahman	72	61	75	(1)
St. Piran—Far East	111	111	111	(2)
St. Piran—UK (South Croftly)	204	205	409	(2)
St. Piran—Thailand	78	73	151	(2)
Southern Kinta	146	151	297	(2)
Southern Malayan	185	167	2,147	(11)
Sungei Besi	169	167	326	(2)
Tanjong	18	11	70	(5)
Tongkah Harbour	47	37	669	(11)
Trouah	190	176	863	(5)

tin outputs compared.

tin outputs compared.

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FINANCE AND THE FAMILY

Loss of title deeds

BY OUR LEGAL STAFF

My bank on my instructions lend some title deeds to registered land I own to my solicitor. I lost them. I obtained a loan from the bank on the security of the deeds, and now the bank is pressing me to repay the loan. Can my solicitor be held responsible for damages and hardship due to the loss of the deeds? If your title is registered the only "deed" which will have been lodged with your bank is a Charge Certificate. Its loss can easily be remedied by the issue of a duplicate Charge Certificate. However, if you have repaid the bank, a Land Certificate, should not be issued to you. If you can show that the loss of the document lent by the bank has actually caused the bank to call in your loan you might have a claim for the difference between the bank's interest rate and the rate at which you may have borrowed elsewhere in order to repay the loan. However, we doubt if such a claim can be proved. We do not think that you would succeed on a claim for hardship. Your partner's claim may be disregarded so long as he has not commenced proceedings in court to establish the claim and so long as your registered title remains clear.

Cottage transfer to children

Referring to your reply under "Cottage transfer to children" (June 2) as husband and wife are treated as separate individuals for the purposes of Capital Transfer Tax each being entitled to his or her annual exemptions, and bearing in mind that there appears to be no objection to a husband putting his wife in funds so that she may give away £2,000 a year, is there any objection to the wife in the question put to you transferring the cottage into the joint names of herself and her husband first so that each may thereafter pass over to the children a sufficient part of the equity of the house to absorb the annual gift exemption? While the logic of your suggestion is clearly correct, we think that there is a considerable risk of the Revenue's con-

tending that the transfer into joint names is a sham, or alternatively an associated operation, and that there are in fact gifts by the wife direct to the children. However, a sufficient lapse of time between the transfer into joint names and the first assignment of an equitable interest to the children might cure this defect.

Do it yourself conveyancing

Can you please recommend reading material and forms to cover the sale of a house without the need to engage a solicitor? Practical Conveyancing by Edward Moeran, No. 44 in the Oyez Practice Notes series. We must emphasize that if you do your own conveyancing you will have no recourse if you make an error which causes you loss, or if one gives rise to a claim against you by the purchaser.

Tax overcharge by mistake

In 1977 I sold three Short Dated Government stocks. The contract notes showed the accrued interest of 90 days (over the three stocks) as separate items. I entered these as "interest not received before receipt of my 1977-78 Tax Return" and was accordingly charged income tax and investment income surcharge. I have now been told that there is a concession, whereby,

lending that the transfer into joint names is a sham, or alternatively an associated operation, and that there are in fact gifts by the wife direct to the children. However, a sufficient lapse of time between the transfer into joint names and the first assignment of an equitable interest to the children might cure this defect.

interest of up to 145 days is not taxed. I asked my Tax Inspector for a refund, but was told he knew of no such concession. Could you please help?

You are indeed entitled to repayment of the income-tax (including the investment income surcharge), but not for the reason suggested to you. (There is no concession along the lines suggested.) In fact, the amounts shown on the contract notes are not amounts of interest at all—and therefore they are not within the scope of income-tax—so you should claim repayment under section 33 of the Taxes Management Act 1970 (which covers situations like yours, where a taxpayer has been overcharged as a result of an error or mistake in his tax return).

The equity of redemption

I want to lend by sister £10,000 interest-free to enable her to buy a house, provided that when she sells it I get my capital back, plus half any gain which may be made. Can I do this without becoming a joint owner of the property, in such a way that any profit I may make will be taxed as capital gain and not income? Your proposal presents certain difficulties as it could constitute what is termed a clog on the equity of redemption, and thus not be enforceable as to the profit element. In any case it may be difficult to avoid being charged to tax as an interest on

the loan. You would probably do better and would certainly be more secure if you took a 50 per cent interest in the property—even if only in equity (that is, being a trust for sale).

Interference by radio

Despite having had several fairly expensive modifications done to my music centre, on the advice of the appropriate department of the Post Office, I still suffer continuous interference from a radio amateur station operated next door. Can you suggest anything I can do? We think that you may have a claim in nuisance against the person operating the transmitter next door. However, such a claim would involve issues of law in construing the effect of the provisions of the Wireless Telegraphy Act 1949, and might assume the character of a test case. You would be wise to consult a solicitor if you wish to pursue such a claim.

World income and tax liability

I am a retired UK civil servant living in France and enjoy a pension of about £4,000 a year which is, of course, taxed at source. However, the Inland Revenue insists that I cannot claim any personal allowances unless I declare to them my whole world income, which,

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

it appears, would cause me to pay more tax, though none of my income apart from the pension, comes from the UK. Are they legally entitled to take this line? Declaring your world income cannot increase your UK tax liability. The most you can be required to pay is 34 per cent tax on £4,000 for 1977-78; for 1978-79, the most you can be required to pay is 28 per cent tax on £750 plus 33 per cent tax on £3,250 (assuming your pension was £4,000 exactly).

By declaring your world income, you may reduce your UK tax liability, or leave it unchanged. It is a pity you did not give us any idea of your world income, because it means that we cannot give you any idea of whether it is likely to be worthwhile to pursue this matter. The best move is to ask the tax inspector for a copy of the free booklet IR20 (Residents and non-residents: liability to UK tax) which outlines the rules.

The basic rule (in section 27 (1) of the Income and Corporation Taxes Act 1970) is that no personal allowance "shall be given in the case of any individual who is not resident in the United Kingdom." However, this rule is modified in favour of former servants of the Crown and, among others, residents of France (under article 23(1) of the France-UK double taxation agreement of May 22, 1968), but application of the modified rule depends upon a declaration of income from all sources worldwide.

A pattern of payment

With reference to your reply under A Pattern of Payment (June 2), until April 1978 my water rate was collected by the local authority and I paid monthly. Now the Water Authority has taken over and refuses to accept these monthly payments. What please is the position in respect to water rates?

Section 30 of the Water Act 1973 given the Water Authority a wide discretion to formulate their charges, so that a refusal of instalment payments is open to the authority. Your best course is to write to the Minister, and invite him to direct (under Section 31 of the Act) that a scheme should include the right for the ratepayer to pay by instalments.

Facing the problems of convictions and renewals

INSURANCE

JOHN PHILIP

UNDERWRITERS divide hazards into two kinds, physical and moral. It is often said that almost all adverse physical hazards can be rated, but adverse moral hazard is insurable. This is a sweeping generalisation with a substantial germ of truth. Criminal convictions usually go to moral hazard, but this is not often the case with motor insurance.

There can be few motorists who have a completely unblemished record after even a decade of driving, and insurers recognise that convictions for some parking and some speeding offences are almost inevitable. Insurers normally ask detailed questions about motor convictions in their proposal forms, so that usually the motorist who answers insurers' questions accurately need not worry about disclosing motor convictions that lie outside the scope of those questions.

But if motor convictions are relatively commonplace, convictions for more serious offences—and some motorists might call these real crimes—are not. Although practice is now changing, hitherto insurers have not usually asked questions on home or personal risks proposal forms about non-motoring convictions. However, the law is clear that where the proposer has a conviction, say, for robbery or burglary, that such a conviction is a material fact of which insurers are entitled to be informed.

True the proposer's duty may be mitigated by the provisions of the Rehabilitation of Offenders Act which entitle him to deny with impunity the existence of a conviction that was

registered so long ago that it is now "spent" (normally there is a five year maximum rehabilitation period), but the Act does not wipe the slate clean for all offences. Thus the proposer with a sometime conviction must look to the Act, and then take care what to disclose. The duty extends to convictions of members of the family living with him and is equally rigorous even when insurers do not require a proposal form.

Quite a lot of legal heat has been generated recently by two law cases which have emphasised the extent of the duty in respect of non-motoring convictions. Without being over-righteous, surely the great majority of honest citizens with honest families, who present no adverse moral hazard, are entitled to a better insurance deal than those who have got themselves on the wrong side of the law and then try to conceal this fact?

Turning now to renewals, the law is clear that the policyholder's duty of disclosure revives at renewal. Most personal lines renewal notices issued by insurers, as distinct from brokers, now carry reminders of this fact of our insurance lives. Consistently if on receipt of insurers' renewal notice I simply pay the premium, I am taken as re-affirming the information previously supplied, on which the

insurers originally fixed the terms. This is fine so long as my risk has not changed materially in the preceding 12 months—but if it has, then I am guilty of non-disclosure if I just pay and say nothing.

For example, although house, most proposal forms are short, most now contain questions on occupancy to enable insurers to discover if the home is going to be left unoccupied regularly or frequently. In town and in many suburban areas such un-occupancy increases dramatically the risk of loss by burglary. Suppose on my proposal form I have answered insurers' questions indicating that apart from shopping, domestic and family outings and holidays, my home will be occupied, but subsequently my wife takes a part-time job, five mornings or afternoons a week so that the house is left daily for some hours? This is a material change of risk, and while it is sensible for me to tell my insurers straightaway, certainly I must inform them when renewal comes round.

It is therefore good sense to keep a copy of each proposal form one fills in, and a note of the supplementary material information one has provided so that as each renewal comes round a check can be made to see whether the risk to be renewed is still as described previously to insurers. There is no difficulty in keeping a small file in this way with one's policies, endorsements, certificates, and so on, and even over the space of a few years it can provide a salutary record of how one's particular risks have changed.

The size of an architect's bill can come as an unwelcome shock to the house owner planning an extension or the purchaser planning something on a grand scale.

Assessing the value of the architect's fee

ARCHITECTURE

COLIN AMERY

IT WAS the indomitable Sarah, Duchess of Marlborough who first gave architects a bad name. Sitting in the splendour of Blenheim she complained bitterly that John Vanburgh had built her a palace when all that she wanted was a home. Today doubts about employing an architect arise from more mundane considerations. Is he or she going to be expensive? Can an architect do any more for you than a surveyor and a good builder? When it comes to adding that extra room why not just buy one off the peg?

The architect's job is twofold—to understand and interpret the needs of the client and then to convey his plans to the builder. But if you take the trouble to go to an architect you have every right to expect that extra, indefinable quality that comes from the professional designer. You are also paying for a touch of imagination.

There is, however, no point in protesting that the day to day business of building has any romance attached to it. You may pick an architect because he is the creative, sensitive type but those may not be the qualities that will get you planning permission. Do not be taken in by the old saying (usually said by architects) that the architect's job is to give you what you didn't know you wanted—this will only lead to the undesirable Duchess of Marlborough syndrome.

How much is the architect going to charge you for that extra room or a new house? It is important to remember that his fees are regulated by his professional body, the Royal Institute of British Architects and that are all published in the booklet, Conditions of Engagement obtainable from the RIBA.

There are two scales of fees, one for new buildings and one for the conversion and adaptation of existing structures. On new work when the total construction costs are up to £2,500 (which would hardly build a garden wall) the minimum fee an architect can charge is ten per cent. The fee varies as the construction costs rise, from £2,500 to £8,500 it is 8.5 per cent; from £8,500 to £14,000 it is 7.5 per cent and up to £25,000 the fee is six per cent right up to £750,000, which even in inflationary times would build you a sizeable house. For the few who build houses costing up to £1m £1,750,000 the minimum fee rate is 5.75 per cent.

When it comes to conversions the scale of fees is different, although again based on the total construction costs. For a small job costing up to £2,500 the rate is 13 per cent and from £2,500 to £8,000 it is 12.5 per cent. The rate rises on a sliding scale so that work on a scheme costing more than £25,000 will be charged at ten per cent.

The architects as a profession do carry a great many risks, accepting as they do, heavy liability for all aspects of the building process.

How do you set about finding an architect? The Royal Institute of British Architects will gladly advise and they have a remarkably comprehensive file of photographs. Many of the most interesting small new jobs are published in the architectural magazines as well as in the glossy fashion magazines. Personal recommendation is perhaps the most reliable as architects themselves are not allowed to advertise.

Good architecture advertises itself and design and skilled craftsmanship speak louder than any words of salesmanship. Today the architect is particularly good value because his fee scale is by no stretch of the imagination exorbitant and he is one of that rare breed that combines commercial intelligence with a trained artistic sensitivity. If you pick a good architect you will be indulging in one of the last areas of creative private patronage—as well as getting excellent value for money.

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A time of change

WHAT began on October 18, 1976, and ended precisely 33 months later? The answer is a period when the party-political climate was favourable to constructive change in the United Kingdom education system.

The period was ushered in by Mr. James Callaghan when as Prime Minister he outraged professional interest groups by calling for a debate by the public at large with the aim of overcoming the faults in State education. It was also Mr. Callaghan who effectively closed the period on Monday by appointing Mr. Neil Kinnock, a Left-winger, as the Opposition's chief educational spokesman.

Mr. Kinnock's Leftward stance surely guarantees political concentration on matters of educational doctrine, especially the structure—fully comprehensive or otherwise—of secondary schooling. Once again, therefore, barren ideological bickering will distract attention from sorely needed practical reforms to the content of education so as to provide the great majority of children with something far more useful to show for at least 11 years of compulsory school than most of them have now.

Because of this, the new "shadow" Education Secretary's appointment was doubtless acknowledged with a sigh by thousands of educational civil servants and local authority administrators. Three times in the present decade many of them have had to retrace their steps as incoming Governments reversed or resumed the national march towards fully comprehensive secondary schooling, first ordered by Labour in 1965.

Also among the regretful will be Mr. Roy Hattersley, who apparently wanted the education brief more than virtually any other, and the uneaten Mrs. Shirley Williams, the former

EDUCATION

MICHAEL DIXON

Secretary for Education and Science.

However much Mrs. Williams upheld her party's doctrine in public, her private concern was for practically productive reforms. By the time she became Education Secretary just before Mr. Callaghan called for the public debate, comprehensive schools had replaced the "selective" combination of grammar and secondary modern schools to so great an extent that Mrs. Williams largely delegated the comprehensive issue to Miss Margaret Jackson, her Parliamentary Under-Secretary. And the issue has since dwindled to even less importance.

When Mr. Mark Carlisle took over from Mrs. Williams last month 44 of the local education authorities in England and Wales already had fully comprehensive secondary education systems, and will not be permitted to "unscramble" them under the terms of the Conservatives' Bill which received its second reading in the House of Commons this week.

Of the other 66 authorities concerned, all but one—Kingston-upon-Thames—have some comprehensives, and about half can be expected to proceed with the conversion of their remaining grammar and secondary modern schools, whether or not their plans do so were originally started by the late Labour Government's Act of 1976.

This suggests that, taken together, the Government's secondary-school policy will result in State financial support either wholly or partly for a total of about 200,000 pupils in around 350 schools which select their intakes according to children's scholarly potential.

But over the next five years, some of the State grammar schools in that total are liable to be converted into sixth-form colleges as local authorities strive to restrain costs under the inflationary pressure of a sharp decline in the secondary-school population. It thus seems sure that by the next general election the UK will be even more comprehensive than it was at the last, when five out of six children in the relevant

age group were already in comprehensive schools.

The only sensible educational argument for converting the relatively few remaining selective establishments arises from the fact that such schools tend to "cream off" from comprehensives considerable numbers of children with high aptitudes for study of the academic kind. Recent research by Professor Michael Rutter of London University has indicated that unless comprehensive schools include a fair proportion of academically capable pupils, the schools will suffer a disproportionate decline in standards not only of scholarship, but also of behaviour.

It would be unrealistic, however, to argue that the effect of creaming-off would be detrimental to comprehensives in all parts of the country. There is cogent evidence that high academic aptitude is found far more commonly among children of middle- and skilled working-class families, than among those from semi-skilled and manual-working backgrounds. Areas inhabited largely by more prosperous families should therefore have a sufficient stock of academic talent to allow a selective school to cream off and more rapidly develop the most scholarly minority of children, without depriving the co-existent comprehensives of their "critical mass" of educational successes.

If the intakes of selective schools were organised so as to avoid any significant creaming off from areas where middle- and skilled working-class families are few or not far between, the Government's preservation of the mixed secondary system could be represented as offering only positive results. The minority of children whose intelligences run particularly in the academic direction could be raised to the highest standards of scholarship in the grammar and independent schools, whereas the standards attained by the majorities in the comprehensives, although lower, need certainly be no worse than they are now.

While beneficial educationally, however, the result would hardly be desirable socially, because children living in the poorer areas would have a smaller success of high academic achievement which is increasingly becoming a pre-

condition of a successful career in later life. But the important point for Mr. Kinnock, and for the supporters of fully comprehensive schooling to his political Right, is that the cause of this inequality in youngsters' career prospects has virtually nothing to do with the structure of secondary schooling.



Neil Kinnock

Even though more and more employing organisations are restricting entry into their higher-grade jobs to recruits who have done well in the academic examinations, many personal specialists doubt that the exam-criteria has much positive value.

It is often the case, for example, that a graduate will cope less successfully not only with work but also with occupational training than a keen young worker with lower attainments in education. But the key word is "keen," because it is far more likely to be true of youngsters who have done relatively well at their lessons than of those who have done badly at school. And success at school is primarily determined by the possession of an academic type of intelligence, because no education of other than the academic kind has been adequately developed.

The unfair effect of education on children's career prospects is bound to persist—and to the detriment of the economy—until the schools can provide an "alternative content" suited to the majority of pupils whose intelligences run in directions other than the academic.

Sadly for education, Mr. Kinnock has earned the reputation of being a politician of entirely the opposite kind.

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التجارة الإلكترونية

YOUR SAVINGS AND INVESTMENTS

EDITED BY EAMONN FINGLETON

The breakdown of the National Health Service has created demand for a new kind of medical insurance plan. Eric Short reports

The AA's reconditioned plan

AL INSURANCE at a man afford to wage a... AA's idea is to insure... AA's reasoning is that...

Under the AA's plan, you first go to your own NHS doctor... The need for such cover has...

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CHARITIES

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with the clearing banks and local authorities and is currently earning nearly 14 per cent.

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The nearest rival to the tax advantages of this system are covenants where you agree to make a yearly donation to charity.

Philip Cowen, a director of the National Children's Charities Fund, points out that for anyone paying basic rate tax or more on his savings income the interest scheme is at least as effective as a covenant but without the considerable psychological stumbling block of having to make a seven-year commitment.

You can write to the fund at 31, Copthall Avenue, London EC2R 7BP.

The importance of being Ernie

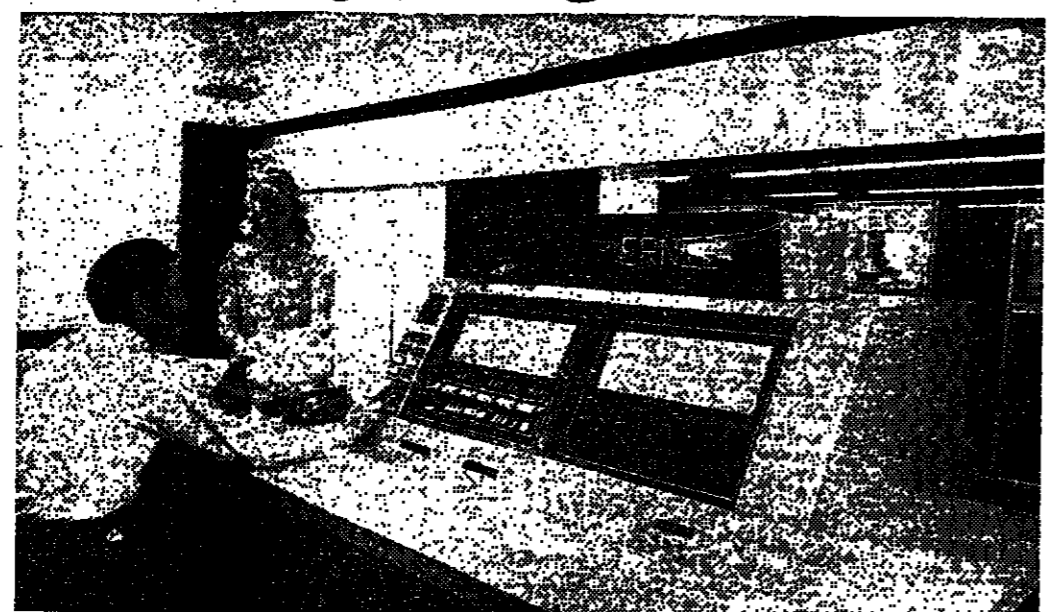
GAMBLING

EAMONN FINGLETON

TIME someone spoke in favour of Ernie, currently the country's most popular computer.

the machine which Premium Bond winners, focus of savers' rage a recent cutback in the of prizes being paid. ze rate has been slashed v civil servants to clear dog of administration g a computer workers

en September and next, the total number of will be slashed from a 120,000 a month to only Several readers have to complain and one Newcastle upon Tyne n raised his grouse with du Cann and Len



Ernie: less work, larger prizes

nts out that each bond's of winning in any have been slashed from 10,800 to only one in the National Savings nent replies that the prizes has been led on average and so al prize money has d unaffected at about month.

In fact, as gambles go, Premium Bonds are a good one. To compare Premium Bonds with other gambles, remember that your stake money is not what you pay for the bonds—you get that back eventually—but the income you forgo in having capital tied up in an arrangement that does not pay interest.

For a basic rate taxpayer putting the maximum £3,000 in bonds, the cost each year is around £240 in lost interest (this is what he would get if he invested instead in a building society). The prize money represents a return of 51 per cent each year on the total bond kitty—and this represents a return of £172 on average on each £3,000 invested. On average, therefore, winnings work out at about 70p for every £1 stake.

That is well below the winnings ratio of around 80p per £1 of stake for horse racing punters but compares well with about 50p from the new "instant" lotteries. The pools come out worst with a ratio of just 30p of winnings for every £1 staked. Ernie looks a better bet than interest rates are low. And the prizes, which are tax-free, are more attractive the higher your tax rate.

What goes up...

INVESTORS CAN now get a return of more than ten per cent net of basic rate tax from guaranteed income and growth bonds. New higher interest rates were announced by life companies this week following the Budget increase in minimum lending rate.

INTEREST RATES

ERIC SHORT

Probably the pick of the bunch is Provincial Life's new rate of 10 1/2 per cent net of basic rate tax over five years. Trident Life is offering ten per cent net over four years. But the picture is changing every day and investors should shop round to make the most of latest changes.

literally at a moment's notice. So investors will not be going far wrong if they buy now.

Life companies are also improving their annuity rates. Scottish Life Assurance, a leader in this sector has lifted its annuity rates by £6 for every £1,000 invested. Now a 65-year-old man can get an annuity of £1,684 a year for an outlay of £10,000. Other leading life companies are likely to follow suit.

Investors considering buying an annuity are under less pressure to act quickly. Annuity rates to go little higher if at all. They could come down quite soon and if they do, life companies will have to follow and drop their yield on bonds at least a week.

pany finance chiefs often e fresh capital when share es are riding high. So rights es can pose a dilemma for stors, writes ard Lambert

Those money it, anyway?

SHAREHOLDERS take issues? The question on some urgency in weeks, when a spate of es has been followed by fall in the stock market. case of the Thomas Till- ue, which closed this answer was easy. The price had fallen to such nt that the rights were t worth taking up, and of three out of every ares wisely decided to heir hands in their

with some pretty bleak results. Shares in 12 out of the 16 companies concerned have subsequently performed a lot worse than the stock market as a whole. Taken together, the average underperformance is around 20 per cent. The record of more recent big issues looks just as bad. For instance, investors who took up their rights last year in Alexander Howden, Turner and Newall or Becham must now be feeling distinctly rueful.

Of course these are all very big companies. The statistics show that the shares of smaller businesses that have made rights issues have actually managed to do a bit better than the market as a whole. One possible explanation for this pattern is that large companies as a whole (and not just those which have made rights issues) have tended to put up a weaker share price performance than the smaller fry in recent years.

remembering that in the case of very large companies the managers of a business are not usually its owners. Unless their personal fortune is involved, finance directors all too often want to raise as much money as they can in return for as few new shares as possible. They are also tempted to treat rights issues as a kind of insurance policy. If this is the case, they will recommend an issue at a time when they think that their shares, relative to the rest of the market, are as high as they are likely to be in the foreseeable future. Their idea of "good timing" may well turn out to be very bad timing from the point of view of shareholders.

oney onitor rtting roof ing Societies can e house price booms- it's official. The Bank of d says so in its latest ly bulletin. bank's comments on prices this week seemed eous that most commen- lid not even report them. r the building society ent they are about as well a mortgage application rat-footed conversion in ing society leaders have washed their hands of ability for house price ons. And for good rea- admit they play a part be to invite the Bank land to strap a corset e equally uncomfortable

device around their increasingly ample bellies. The bank's bulletin said that in the long run construction costs and the availability of land are the main determinants of house prices. But it added: "In the short term, with the supply of new houses nearly fixed, changes in prices must stem largely from changes in demand. The underlying demand for houses might be expected to depend on incomes and the cost of finance; but the extent to which this is translated into effective demand is likely to be influenced by the availability of finance, particularly of building society mortgages."

Even the Government is forecasting that the year-on-year rate of inflation will hit 17 per cent in November. And wages are not kept under control, high inflation may continue to erode the real value of savers' capital for some time. So now is a good time to invest in the National Savings

Department's index-linked savings plans. "With the inflation-proofed "retirement issue" of National Savings Certificates, for instance, you get tax-free inflation-proofing bonuses to compensate fully for the rise in the cost-of-living provided you invest for at least a year. Men over 65 and women over 60 can put up to £700 in the certificates. A husband and wife between them can invest £1,400—and on death the surviving spouse can inherit the total holding and keep it invested in the certificates. If you invest before the end of August, you will get the benefit of the rise in the cost-of-living caused by the Budget value added tax increase. This is because the base figure for calculating the cost-of-living bonuses is linked to the level of the Retail Price Index announced in the month before you made your investment. A tax-free return of even 10 per cent is very hard to beat—yet the merits of the certificates are barely understood. Of about 9m pensioners only 1.65m hold the certificates.

RIGHTS ISSUES AND SHARE PRICES

Table with columns: Ex-rights Date, Relative Price Performance* Before %, After %

* Share price performance relative to the All-Share Index in the two years before the ex-rights date and the period since. Source: Wood Mackenzie

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PROPERTY

Looking at premium-free attractions

BY JUNE FIELD

MY TAXI driver was bemoaning the fact that he had to pay the currency premium on his Spanish seaside apartment, and now with its abolition, if he wanted to sell he couldn't get that extra amount back. How much had he paid, and when? Oh, about £5,000 plus 25 per cent premium quite a few years back.

And how much would you have to pay now? You couldn't buy an apartment in the same block at the moment, and if one came up, the asking price would probably be about £25,000 to £30,000, he admitted. The same builder was building apartments in not nearly such a good position, and as soon as the stakes were in the ground they were all sold for 4m pesetas (about £28,000). Need I say more? Those who bought right, even with the premium, hardly have cause to complain.

With the budget bonanza of £100,000-worth of premium-free currency per family to spend on property and improvements each year, the important thing to remember is still to go to experienced agents and developers who have built up a reliable reputation, and to make sure that any monies get paid through a bank. And you still need to fill in form P supplied by your local bank, when you want to purchase overseas. It's an application to make payments in respect of the acquisition, maintenance or improvement of property owned for private use outside the Scheduled Territories, and the questions are still fairly searching.

So what's new on the Costa del Sol, still one of the most popular areas to buy in? Flourishing property developments, new yacht harbours, two casinos, even more golf courses (17 all told), discreet top-less sun-bathing, hotel strikes—these are some of the changes on the long stretch, Malaga to La Linea on the border, fairly typical of other Spanish coastal regions under the new regime.

Marbella, the principal town, is still a mixture of the international rich, tourists and flower-people. Elizabeth Coty of the perfume family has a beautiful renovated farmhouse near the sea, Prince Salman, brother of the Saudi Arabian king, is having a domed palace of 18 bedrooms, 16 baths and a guard-house built on the main coast road, and outside the push Casino Nueva Andalucia, licensed to José Banús, creator of the Port, but run by Coral Casinos International, as technical advisers, sit the hippies, exhorting one to come to the Lord.

All this I found on a property inspection tour the other week-end: leaving Heathrow 4.20 p.m. Friday, I was enjoying dinner in the luxury Melia Don Pepe Hotel, Marbella, a few hours later. First call the next morning was to the pretty Jardins de Mar, smart creeper-clad studio and one-bedroomed apartments in the grounds of the hotel, developed by a Melia subsidiary. With sea and mountain views, two swimming-pools if you don't want to walk the few yards to the beach, they have been designed to appeal to those wanting the privacy of their own small place as well as the convenience of hotel services. Prices about £30,000-£40,000.

Best and most interesting budget buy in the area is undoubtedly at La Pacheca, San Pedro de Alcantara. It is five minutes walk from the little white Andalusian village of Benahavis in the mountains up the twisting valley of the Guadalmina River past tumbling rapids and waterfalls, yet only 12 kilometres from the yachting centre of Puerto Banús. The enchanting complex is gradually building up into a little community of its own, with cobbled courtyards, cool green patios, fountains, boutiques, pools, tennis courts and so on.

Sounds idyllic? It is, and all the first phase have been sold, with the exception of a minuscule studio-apartment which was snapped up at around £9,000 while I was there. Prices for the next apartments, which are building now, range from £13,500 for two rooms to £27,500 for a four-room duplex with two baths, or you can knock two together for a larger living-space if you get in early enough. There is a bank-backed schedule of easy-

purchase terms, and a bank guarantee available by the contractors, important when buying off plan.

Agents for all these complexes are Galvez-Cano/Donaldsons, Muelle de Rubera 4, Puerto José Banús, Marbella, who will send a portfolio of a selection of properties for sale, including old mills and farmhouses in the rough or done up. Managing director Ninlao Crichton-Stuart, while asserting that turnover and profits are "quite fantastic," also admits: "The property business now is quite unlike the boom of the early 1970s. Then it was a highly speculative situation. A great deal of money was made in 1973—a great deal lost between 1974 and 1977. Present-day property deals are much more accurate, price structure and profit margins much more carefully assessed. We all work very much harder in a highly professional business."

Agents for Galvez-Cano/Donaldsons in Britain are Montpelier International Properties, 9 Milner Street, London SW3, from where Felicity Hoare will also send full particulars, plus an explanation of the taxes and charges on the transfer of property in Spain, which are generally considerably less than in Britain, and which certainly don't warrant the bad publicity they received a few months back, largely due to ignorance of how they were worked out.



Les Jardins de Mar, in the flower-filled grounds of the Melia Don Pepe Hotel, Marbella, with a backdrop of the mountains, is a pretty creeper-clad apartment block of studio and one-bedroom flats from about £31,000. Brochure Felicity Hoare, Montpelier International Properties, 9 Milner Street, London, SW3, or Robert Gemaux, Manager, Galvez-Cano/Donaldsons, Puerto Banús, Marbella, Malaga.



Wykehurst Park, Bolney, Sussex, in 13 acres, is for sale with vacant possession of part of the lower ground and first floors. Full details David Armour, Bernard Thorpe and Partners, 19 Chesham Road, Brighton, who are inviting offers in the region of £250,000 to £1 million for the whole of this High Victorian mansion built in the style of a Loire chateau, which is now divided into apartments.

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Adding up the extras

BY JUNE FIELD

WHAT SHOULD you include in your asking price when you are selling your home, apart from the obvious fixtures and fittings? "Try to avoid quoting carpets, curtains, cooker, refrigerator and so on as part of the original figure," advises David Armour, of Bernard Thorpe and Partners.

"You will just be giving them away. It is far better to say that they are available if required. And if you really don't want to take them with you, or they will cost you too much to remove, then consider certain items as a negotiating point, including them only if they will clinch a sale."

It is important to remember not only what the things cost you, but what they would cost to replace and instal. One Thorpe client admitted that after they had gaily said that such refinements as their dishwasher, mirrors, specially tailored light and curtain fittings, extra shelving and so on were part of the sale package, they had effectively allowed a discount of £2,000 or so.

Valuation of both property and furnishings is becoming more and more difficult though, insists David Armour. His latest offering that he admits poses a bit of a problem on price is what you might call a stately apartment in the High Victorian Wykehurst Park, Bolney, a sort of fairy-tale castle hidden away in 13 acres in the depths of the Sussex countryside. The accommodation includes the grand hall, Louis XV-style marble-pillared drawing-room, Adam-style library and elaborately carved walnut-panelled dining-room believed to have been commissioned by Catherine de Medici in 1550 for a cardinal's palace in Florence.

A majestic staircase leads to the two main bedroom suites and staff flat. There is garaging for six cars in the basement, and a veritable warren of 18 rooms that could be converted to other living quarters.

Wykehurst Park was designed by Edward M. Barry, son of Sir Charles Barry architect for the Houses of Parliament; the house was built in the style of a Loire chateau for Henry Huth, son of a German banker, and had a chequered history before being converted to flats around 1973. To get the last owner's prime accommodation you have to buy the whole place, including the eight apartments sold off on 99-year leases. The price tag is between £250,000 and £1m, and the best offer will probably get the splendid floor coverings and curtains and modern kitchen equipment thrown in. Full details David Armour, Bernard Thorpe and Partners, 19, Chesham Road, Brighton, Sussex, telephone 0273 684997.

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Jeff Maito

LEISURE

Lucrative Channel Islands

IN 1967 the British Postmaster General announced that the Post Office would become a public corporation in 1969 and offered the Channel Islands the opportunity of establishing their own postal services...

themselves on having made an excellent investment. Those who are contemplating taking up this interesting field, however, should lose no time in getting started since these stamps will never be any cheaper. Undoubtedly the appearance of a new catalogue in the Gibbons Specialised series will stimulate further interest in this area...

STAMPS

JAMES MACKAY

Complete sets of the 1969 definitive series of both Guernsey and Jersey could be obtained on First Day Covers at the time for about £2 each; today they rate £65 and £50 respectively...

The Channel Islands were comparatively late in getting a regular postal service, and it was not until 1794, following the outbreak of war with France, that a regular packet service from Weymouth was introduced...

The earliest postmarks used in both islands were undated name stamps, those used in Guernsey being generally scarcer. Dated stamps came into use in the 1830s and distinctive obliterators, such as the celebrated Alderney Cross, were employed after the advent of adhesive stamps in 1840...

had Ship Letter marks. Even the commonest types rate three figures, while the major rarities range up to £4,000.

The later 19th and 20th century postmarks have long been popular with collectors. Those from the head offices are reasonably plentiful, but the marks used at the sub-offices are elusive. The tiny 'thimble' postmarks of the rural offices are to be found on Edwardian postcards, and rate from £3 to £10 on average...

Following the German occupation of the Channel Islands in May 1940 certain British stamps were cut in two as stocks of the more popular denominations ran out. These bisects on covers or cards, bearing postmarks of the correct period, now rate a handsome premium...

Wood is becoming a more attractive alternative to grp with each oil price hike. Westery Marine Construction at Waterlooville, Hampshire, whose range of family cruisers has made such an impact upon world markets, has switched from grp interior modules to wood joinery to fit out some of its boats...

But the job exciting the most interest there at the moment provides a spectacle which in essentials cannot differ markedly from the building of Noah's Ark. A big programme is going on to restore a wooden boat for an American owner. The principal tools in use are the traditional adze and the draw knife.

After taking on the contract Rank Marine has some problems assembling the equipment. Draw-knives were found, but the adze presented some difficulties. Finally one was discovered in a corner of the yard

The revival of wood

A BOAT-BUILDING material is coming into common use which is warm to the touch, has a textured surface, is easy to drill and machine, can last for half a century if looked after properly, and is cheaper for many forms of construction than the glass reinforced plastics materials (grp) which are at present employed for nine out of ten yachts...

Yacht-builders are in a mood to experiment. They are uncomfortably aware that their products are becoming highly priced for what is, after all, an item not absolutely necessary to the life-style of the family.

The price of resin, the main constituent of grp, is soaring as the higher oil prices work their way through to put up the costs of oil-based chemicals. Three manufacturers of production line boats in glass fibre tell me they are having to raise their prices by an average 10 per cent in the autumn...

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in a sorry state. It had been used for many years for digging ditches and similar menial tasks. Now, clean and sharp, it is in daily use to rough hew the timbers. The vessel being so painstakingly restored is a Thornycroft 70 ft Pilot Cutter bought from Trinity House by Mr. Ted Jameson, an American millionaire and a collector of old boats and cars. The yard is discovering how much of the timber has to be replaced as the work proceeds...

The third interesting fact that emerges about the re-adoption of wood by the yachting world is that the men who

BOATING

ROY HOODSON

actually build the boats enjoy working with it. The 'over-40s' among the boat-builders learned their trade when the basis of every yacht was a sound clinker-built or carvel hull in carefully selected timber.

These craftsmen are now welcoming the chance to sharpen up their skills and pass them on to the younger workers who have spent the greater part of their working lives brushing-on or spraying resin upon sheets of glass fibre laid up in moulds.

Rank Marine International on the Hamble has a 55,000 sq ft modern yacht building and repair complex employing about 100 men. Air-conditioning and temperature control has been built in in order to achieve the controlled conditions needed for glass fibre boat production.

After taking on the contract Rank Marine has some problems assembling the equipment. Draw-knives were found, but the adze presented some difficulties. Finally one was discovered in a corner of the yard

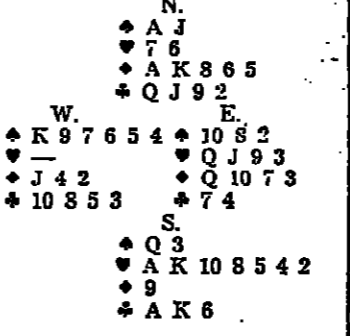
Both sides were vulnerable when North dealt and bid one diamond, to which South replied with a forcing take-out of two hearts. North had intended to rebid two clubs over a response of one spade or one heart, but over two hearts he decided to say two no trumps. South now said three hearts and North raised to four hearts. At this point South introduced a Blackwood four no trumps, and learning that his partner had two Aces, he bid six hearts, and all passed.

Thinking that a spade lead might be dangerous, West chose to start with the three of clubs. When dummy went down, the declarer nodded approvingly. With a 3-1 break in trumps six hearts was a lay down, and if the trumps were 2-2, 13 tricks would roll in.

Instead of indulging in pipe-dreams, South should have asked himself whether there was any danger, and if there was, whether anything could be done about it. The one possible danger was a 4-0 trump break. If West had all four trumps, there was nothing to be done, but if East had them, there was a safety play available.

The correct line of play is to win the first trick in dummy, lead a heart and if East follows with the three, to play low from hand. If West can take the trick, the outstanding trumps can be picked up by the Ace and King. South, however, did not adopt this line—otherwise there would have been no story—but won the club lead with his King and cashed the King of hearts. When West failed to follow suit, the declarer, who was an excellent player, regretted his carelessness and about retrieving the position if that were possible. He led his singleton diamond to the King on the table and ruffed a diamond in hand.

Then he crossed to the club Queen and ruffed another diamond. He required two more entries to dummy but there was only one, the spade Ace. One had to be created. He led the spade three, fussed dummy's Knave successfully, and ruffed a third diamond. The spade Ace was now cashed, to leave this position:



When the diamond Ace was led, East found the best defence by ruffing with the Knave of trumps—if he discards, the declarer has no problem. Now it was South's turn to get his sums right—he undertruffed with the eight of hearts, an essential play. East returned the ten of spades, on which declarer threw his club Ace, and dummy ruffed. Now a club from the table caught East in the trump coup and the declarer made the last two tricks.

South recovered brilliantly from his early error but West did not get a chance to recover from his. He should, of course, have played his spade King on South's three.

CHESS

LEONARD BARDEN

THE GROWING popularity of chess on Britain's offshore islands received further encouragement last month when the annual Jersey congress, now sponsored by Lloyds Bank, showed a sizeable entry increase over 1978.

The tournament, an international open with competitors from eleven countries, was lengthened from seven rounds to nine this year to enable games to qualify for FIDE (World Chess Federation) rating.

The £500 first prize at Jersey went to the former Australian open champion Max Fuller, who because of the severity of international play in his own country travels the world in search of tournaments. He has already won Jersey and Guernsey in previous years and has a sure and accomplished touch in out-playing weaker opponents.

White: M. L. Fuller (Australia). Black: R. J. Gamble (Derby). Opening: French Defence (Jersey 1979).

1 P-K4, P-K3; 2 N-KB3, P-Q4; 3 N-B3 (this Two Knights Attack avoids the main lines of the Winawer with ... B-QN5 and is popular with players who want to get Black out of the books). P-N3; 4 N-P, N-KB3; 5 N-N cb, Q-N; 6 P-Q4 (now back to theory, but in a variation known to be favourable for White), P-KR3; 7 B-Q3, B-Q3; 8 Q-N2 (8 Q-Q gives a small and safe advantage), N-B3; 9 B-Q2 (White's idea, and now also positionally forced, for 9 P-QB3, P-K4 solves Black's problems), N-P; 10 N-N, Q-N; 11 Q-Q, B-B5; 12 K-N1, B-B; 13 R-B, Q-B3; 14 Q-K4, P-KN3; 15 P-KR4 (heralding the attack to come if Black castles KR, so his king heads in the other direction ...), P-B3; 16 P-R5, P-KN4; 17 P-KN3, B-Q2; 18 KR-Q1, Q-Q; 19 B-R8! (... where the danger is just as great. If now 19 ... P-B; 20 R-B, R-B; 21 Q-P; 22 Q-R3 mate), Q-K2; 20 Q-Q4, P-K4 (if K-N1; 21 Q-K5 ch, K-B1; 22 R-B1); 21 Q-RP; P-B; 22 Q-P ch, K-B2; 23 Q-R7 ch, K-B1; 24 R-Q3; P-QB4; 25 R-Q6 (avoiding the trap 25 R-QN3? B-N4!). Resigns. The threat of R-QN6 and Q or R-N8 mate is decisive.

Following Jersey, two more offshore congresses are announced for the autumn. Guernsey's annual festival October 14-20, co-sponsored by Hambros, has prizes totalling over £1,000 with special awards for veterans and ladies' daily excursions, and a problem competition. A new event is the first Isle

of Man congress (September 7-10) sponsored by Ronaldsway Aircraft, held at their clubhouse, offering a £500 first prize, and featuring separate events for weaker players.

Both the Jersey and Guernsey congresses have built up an excellent reputation for hospitality to chess visitors and are highly recommended for an off-season holiday. Though both events are international opens, competitors down to novice standard are welcome and the hospitality even extends to a good sprinkling of inexperienced local entrants to provide points and half-points.

Details of this autumn's congresses are available from the Secretary, Chess Festival, PO Box 23, St. Peter Port (0481-54188 evenings) for Guernsey, and from the Isle of Man Information Centre, 15 Albemarle Street, London, W1 (01-492 1143).

Some moves were inadvertently omitted from last week's game. Moves 21-22 should read 21 R-B3, P-R3; 22 N-R4, Q-B2. At the end of the game, Black overstepped the time limit.

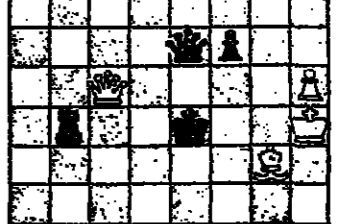
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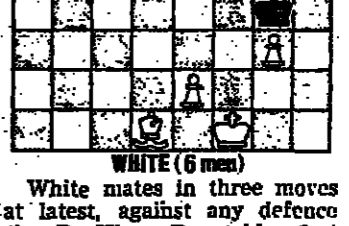
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POSITION No. 273
BLACK (5 men)



White (4 men)
Dorians vs Ceshkovsky. USSR championship 1978. Black (to move) needed to win this position to share the title with Tal. He is a rook up, but both rook and knight are attacked and R-N2 falls to BxR. What should Black play, and how should the game continue?

PROBLEM No. 273
BLACK (6 men)



White mates in three moves at latest, against any defence (by B. Hirst, Dunstable, first publication). Solutions Page 14.

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Jeffie's

HOW TO SPEND IT

by Lucia van der Post

Summer food and summer living

EN faced with a dreary spring and mer, like the one we've been experiencing until now, I try to look on the bright side and remember the words of African chief who when asked what impressed him most about England said: "The ease with which it rains." ease with which it rains is indeed enviable and those who have ever lived rough-prone areas rightly see it as a

miracle. Alas, my sense of gratitude and wonder at the matter begins to get very strained round this time of year and I wait hopefully to be astounded by the ease with which the sun shines. Nobody tries harder than the British shopkeeper to pretend that a heatwave is just round the corner—the shops are full of ravishing summer clothes and enticing ideas for outdoor living, so that anybody

longing to make the most of the fleeting lovely days will find no shortage of suggestions. A few of the best of the summer ideas are featured on this page. Other sources of good picnic equipment are those branches of Boots with household equipment sections, and Woolworths. Habitat have a spring and summer supplement which is available free at all their branches and which is full of enchanting aids to summer living.

SUCCESSFUL garden furniture, it seems to me, comes in one of three categories—it can be weatherproof and can thus be left out all the year round; or it should be possible to keep it out for most of the summer and then pack it flat for the winter months; or else it should be very light and totally portable. Here's a small selection of garden furniture, one from each category.

Firstly, photographed top right, is some very fine individually cast furniture made to Victorian designs in the original Victorian manner. The pieces are cast in sand, and though once they were made from iron they are now made in aluminium, which makes the furniture both lighter and more weather-resistant. They can be left out all the year round. In the picture is the Bramble settle (£10), Bramble table (£71 each) and Viking seats (£58.50).



Weatherproof

Basil, king of herbs

BY JULIE HAMILTON

NITE ARE the culinary of basil, the king of herbs, h came from India, spread e Mediterranean countries spawned legends. Its cinal uses include clearing read and, if grown in a pot, rs, freeing the room of

completely dry, crush the leaves (I do it in an electric food chopper) and store in airtight jars. You can freeze basil in airtight bags or boxes or you can put the freshly picked sprigs in a jar, cover with olive oil and store.

to the heavenly scent of basil, you could sow some more seeds now and raise the plants to stand in pots on your sunniest window sill. They will keep you supplied into 1980.

including a few whole leaves; add a spoonful of finely chopped leaves to a cheese soufflé; decorate your butter or pâté with leaves; use lashings put up in a green salad and remember that a tomato salad is not complete without basil.

asil and chive soup - serves 4

uch fresh basil (not less h 1 oz); 1 bunch fresh e (not less than 1 oz); z butter; 2 oz bacon; 4 spoon white wine; 1 spoon flour; 6 oz ocs; ½ pint milk; 1 pint eek stock; 1 heaped tea- n parmesan; juice of 1 n; 4 teaspoons cream.

stock and the juice of only half the lemon. Bring to boil; add the peeled and finely chopped potatoes.

Courgette mousse - serves 4-6

6 or 8 sprigs fresh basil; 6 good-sized courgettes; 3 large cloves garlic; 2 table- spoons white wine vinegar and/or lemon juice; 2½ table- spoons best olive oil; ½ oz gelatine; 2 eggs; 4 or 5 table- spoons double cream; salt and freshly ground black pepper; 1 teaspoon parmesan cheese (optional); 3 or 4 leaves mint (optional).

and/or lemon juice. When a thick purée has been produced, slowly add the olive oil as you would for mayonnaise. Turn out into a mixing bowl.

ishroom stalk and basil soup serves 4

igs fresh basil plus not than 12 leaves; 1 clove c; 2 oz butter; 1 level e spoon flour; ½ tea- n finely grated lemon scant ½ pint milk; scant t chicken stock; 1 glass e wine; salt and freshly nd black pepper; pinch aster sugar; 4 teaspoons r for garnish.

Boil the courgettes whole for approximately eight minutes. Drain off the water and, while still warm, place the courgettes, the herbs, garlic, salt, freshly-ground black pepper and parmesan (if wanted) in an electric food processor or blender.

Greek olive and basil dip serves 4

For the lover of black olives this little dish is a delicious addition to an hors d'oeuvre or a Greek meze, or on fingers of toast as an appetiser.

Separate the eggs, lightly beat the yolks, add the dissolved gelatine and stir into the courgette purée. Lightly whip the cream in a large bowl and stir the courgette purée into the cream.

Have a ball

This picnic ball is an amazing piece of Italian ingenuity. It stands about 9 in high, is spherical and has its own handle for easy carrying. When you take off the lid, however, you come upon a complete picnic set for six, all of which is snugly within its neat sphere. As you can see from the drawing it houses six beakers, two jars (for salad dressing, milk or whatever), a tray, six large, and six small plates as well as six soup plates. The bowl itself can be used for tossing the salad. It's a very neat piece of design but all this ingenuity doesn't come cheap—it sells for £41.50 and is available in bright red or white plastic from the General Trading Company, 144 Sloane Street, London SW1 (p+p £1.83).

Wickery hampers for all

Wickery hampers come in all sizes and at all prices. You can pay as little as £2.92 for a 14½ in hamper from Habitat or as much as £400 for a wicker basket from Asprey's, all kitted out with plates, glasses, cutlery and with room for wine, tablecloths, napkins and no doubt the caviar as well. Most of us will probably settle for something a little in between, Wicker baskets make much the nicest of all picnic hampers, in my opinion, but they are nothing like as practical as those rather unattractive plastic suitcases, so skilfully fitted with plates,

Knives and thermoses

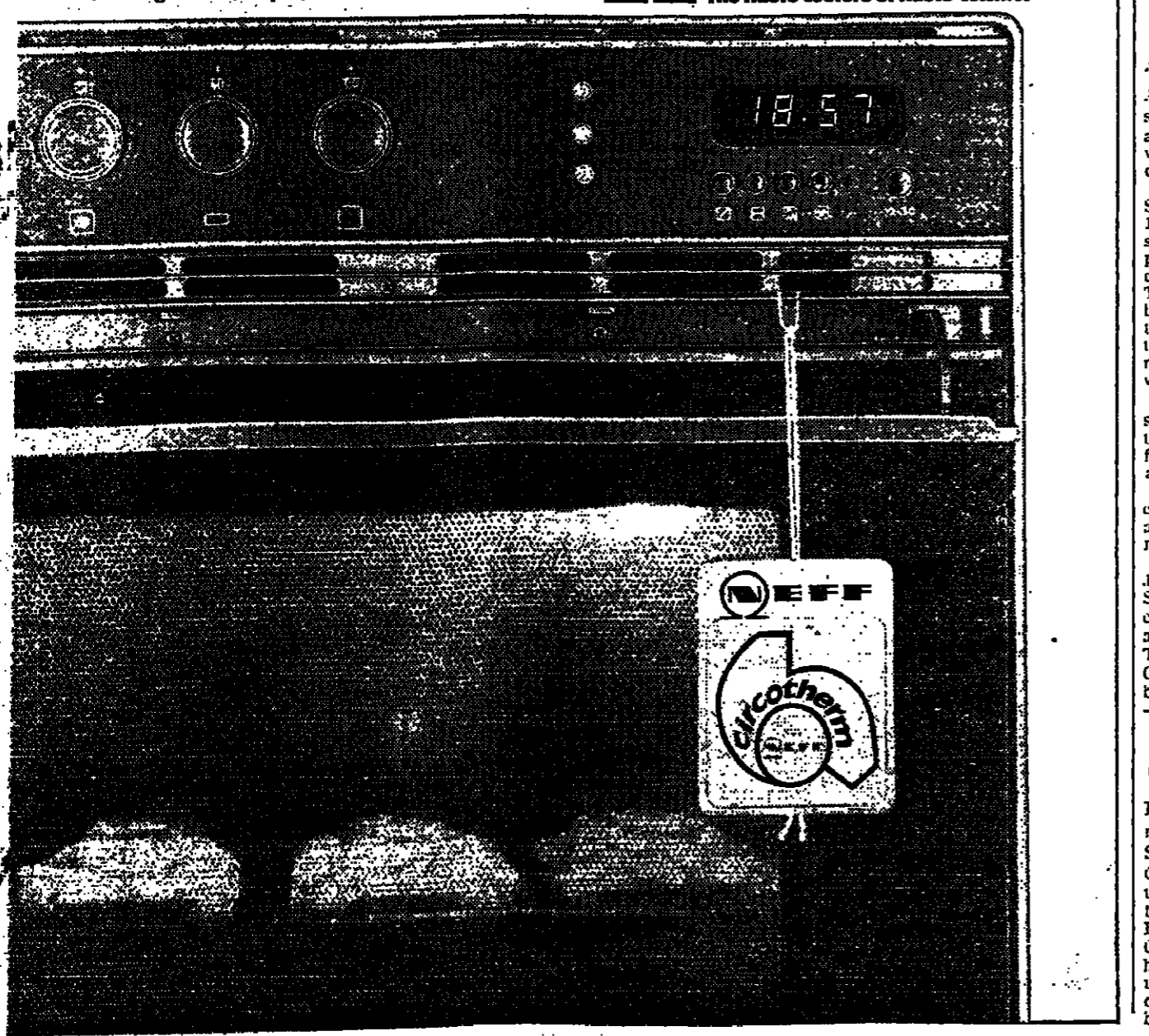
knives and thermoses. If, however, like me, you're prepared to sacrifice practicality for aesthetics (and, after all, much of the pleasure in a picnic is more emotional than real) then Woolworths have a selection of smallish hampers, which are very reasonably-priced (see them photographed right). The smallest one is 14 in wide by 11 in long by 7½ in deep (£3.19). The next one in size is 16 in wide by 13 in long by 7½ in deep (£4.29) and the largest is 18 in wide by 15 in long by 7½ in deep (£5.35). They all have two carrying handles and toggle-type fastenings.

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Treat yourself to...

A Merrie Evening between 8.15 and 5.30 on week-days.



Dinner in Hall

WITH summer struggling to make an appearance between moments of sunlight and torrents of rain, not to mention chilly winds, the spirit faltered and was in need of solace. I found a delightful escape from the tedium of waiting for summer to come in a visit to Robert Garner's restaurant at Hintlesham Hall, Suffolk. Now that summer has finally made an appearance a visit might be even more delightful. Dining in the exquisitely restored manor is a treat in itself, but combined with Robert Garner's excellent food and wine the experience is indeed uplifting. The average cost of lunch (three courses) is £12.50; for dinner it is about £15 per head and worth every penny. Hintlesham Hall is 7½ miles from London on the Hadleigh-Ipswich road. Telephone Hintlesham 268 for reservations. It is open every day except New Year's day.

Postscript

READERS who are planning to rush along to Buyers and Sellers today to buy one of the Candy dishwashing machines that will be on sale should get there as early as possible. Readers have been ringing Cynthia Coyne all week asking her to reserve a machine for them but she rightly points out "If I did that there would be nothing left for the people

Libby Gould

coming on the morning." So it will have to be first come, first served at either of the two branches—120/122 Ladbroke Grove, London W10 and 72 Uxbridge Road, London W12. If you remember, Buyers and Sellers will be offering for today only a Candy 280 dishwasher at £140.95, which is the manufacturer's price to them. Unfortunately, Mrs. Coyne can no longer offer to deliver for £2 but she will organise the delivery by putting the machine into a mini-cab which the customer will pay at the other end.

The Truth About Harrods Prices

as quoted in the

FINANCIAL TIMES

Wednesday June 20 1979

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Knives and thermoses

TRAVEL

quieter side of Greece

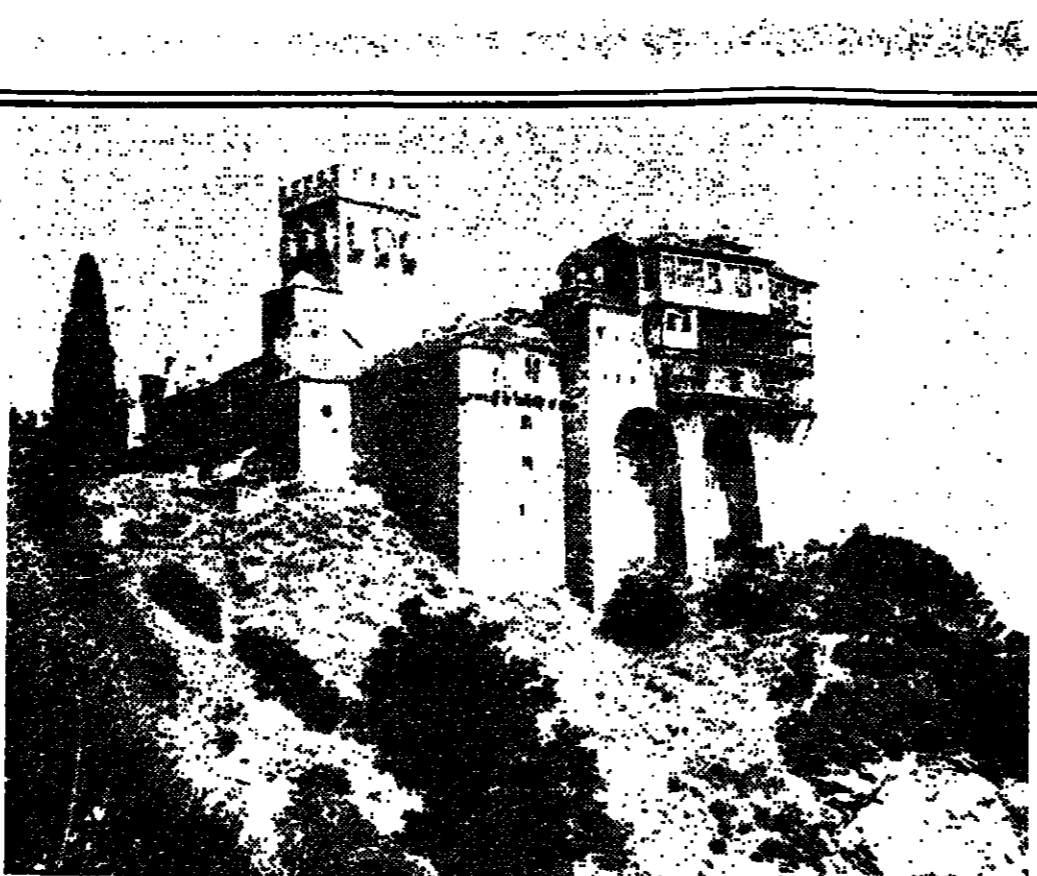
SYLVIE NICKELS

IF YOU ARE large chunks of time to spend in Greece, you will find that the quieter side of Greece is one of them.

Thousands of miles of touring the rugged country round the Aegean coast, near the Albanian and Slav frontiers, to the Evros bordering Turkey, we saw a foreign-registered car.

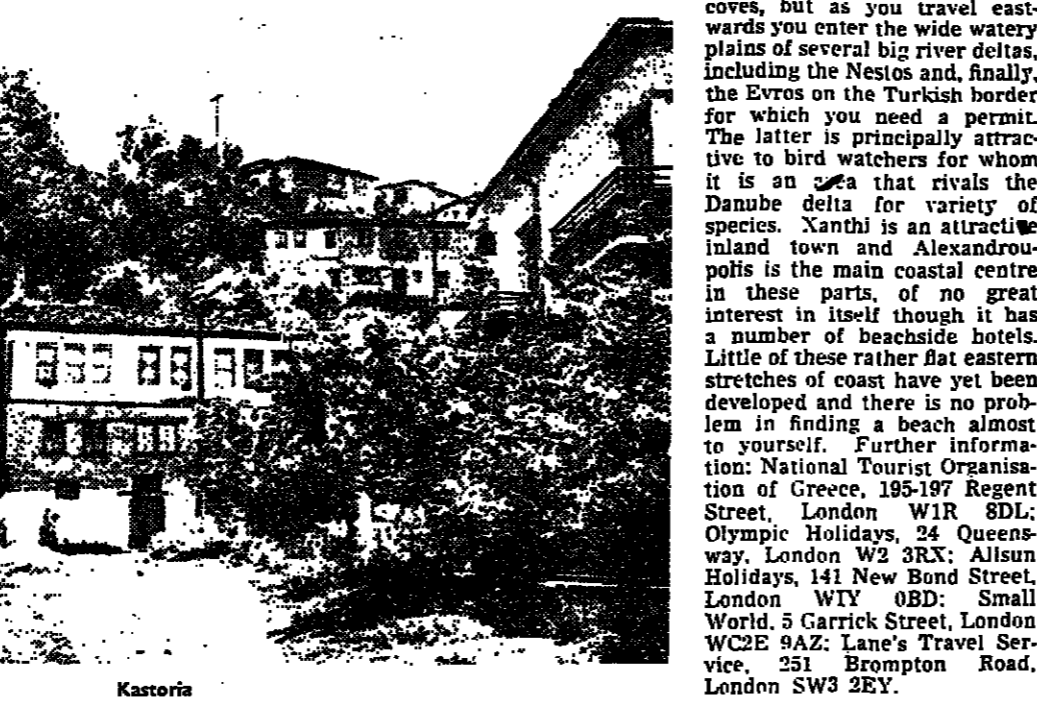
It is a seaside holiday in the area of Halikiai, a small town on the north coast of the Peloponnese, a few miles from the sea.

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Mount Athos, Monastery of Stavronikita

Great Prespa Lakes. But the place I found had the greatest personal appeal was Kavala on the north Aegean coast, some 100 miles east of Salonica.



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HMS Beagle sails again on television. In the re-showing of the BBC film series 'The Beagle' will also be sailing in colour as the Beagle returns to the sea.

PUBLIC NOTICES. N. BEDFORDSHIRE, B.C. Issued 20 June 1979. £0.65m. 81% due 19 September at 13 1/4%. Applications £3.9m. Total outstanding £0.65m.

SPITFIRE OWN YOUR OWN. 1/2 share in two Spitfires. Aircraft need rebuilding. £12,500 per share.

HOTELS. Who says you have no business in Monte Carlo? There's a new landmark on the world business scene—the lavishly renovated Beach Plaza Hotel.

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ARTS

Figaro wins at Leeds

Perhaps only the English National Opera North would announce a Village Romeo and Juliet (due for production next season) as a work by the celebrated Yorkshire composer, Delius. No harm in a spot of local patriotism, though the irony is that West Yorkshire County Council—with an area embracing the company's home-town of Leeds as well as Delius's home-town of Bradford—is not among the local and national authorities currently providing subsidies.

Retaining Leeds as its base, and presenting opera there for four weeks, the company has spent the year, the more time actually spends more time on tour. Next season it will become the first opera company to occupy the "Big Top" circus tent (already used by the Royal Ballet) at Sheffield, and the list of critics visited will extend to Liverpool and Glasgow. Meanwhile Leeds was chosen for the unveiling last Wednesday of a new production of La Traviata, followed by a new production of The Marriage of Figaro which had been shown on tour for a few weeks.

It is, I have to say, in Italian here," said John Copley in a preliminary interview about his Traviata production. Such discerning frankness, with its obvious reference to the necessity of communication with the audience, raised new questions in the matter of ENO's insistence on occasionally mounting a production in the original foreign language. (Samson et Dalila returns next week; Der fliegende Holländer, curiously announced as The Flying Dutchman, is to be sung in German next season.) It is merely as a point of being different from the parent company at the Coliseum, where the English-only rule is maintained with remarkable artistic success?



Lois McDonald and Ryland Davies



A View of Delft by Carel Fabritius

Hodgkin's Eye at National Gallery

The National Gallery has long made a custom to include a distinguished artist among its trustees, and now, in its admirable series of exhibitions, The Artist's Eye, has gone on to pay much more than lip service to the idea of the artist's erudition and general usefulness. For three summers now unexpected comparisons and conjunctions, cutting across the schools and through the centuries, have intrigued and stimulated us all, the curatorial staff along with the rest.

Howard Hodgkin, one of our best painters, is indeed a present trustee of the gallery; he has made this year's pick of the collection, 10 works from 10 hands, to which he has added a largish and very beautiful Moghul gouache, dating from the 16th century, and two of his own works; which last might seem impudent to some, but which from the start has always been understood as part of the exercise. Mr. Hodgkin has his doubts on this very point, but in fact his paintings look very well in the company.

For the rest his choice is extremely interesting, covering much ground, from an altar panel by the Master of the Bambino Vispo to the Vuillard still-life; and though the paintings contain two executions, a procession, a boat-hunt and a most airy allegory with Venus and Time, there is overall a market stillness and serenity to the work, over which another allegorical figure, that of Grammr by Laurent de la Hire, presides most appropriately, watering her potted plants with splendid deliberation.

learned and articulate voice spoken in a correct manner" is her message to us, which in these lax times we might do well to take to heart. This is exactly the kind of work which justifies such an exhibition, comparatively modest and obscure and so easily overlooked, but a real treat nonetheless. The show has other notable features. Mr. Hodgkin had the great and mysterious Velazquez landscape, Philip IV Hunting Boer removed from its heavy frame and hung rather lower than before, which the picture itself suggests is right, with its high eye level taking us down the forward slope, past the nearer figures, out to the hunting arena and so to the hillside beyond. It is beautifully and freely painted, full of light and space; and we see it here as for the first time.

Dire Straits return as heroes

It should come as no surprise that the swing to the right is as much reflected in pop music as in politics: away with anarchy, welcome back melody. The greatest beneficiaries of this trend have been Dire Straits who in two years have moved from a Deptford council estate to superstardom.

But Dire Straits did it the hard way, through self-help and talent. And they did it from the top, conquering the U.S.

Knopfer catches the eye, although drummer Mick Withers attempts some Keith Moon craziness. After an hour the attention wanders; with such a pleasant background you are ready for some action up front.

If Dire Straits lack drama the pretty clusters of notes dropped by Knopfer, the accessible melodies, the constant rhythm and the intelligent, if sadly mumbled, lyrics lift the group way above the competition.

TV Radio section containing BBC 1 and BBC 2 schedules for various times, listing programs like Northern Ireland, Sport/News, and various news and entertainment shows.

Channel section listing various radio stations and their programs, including ANGLIA, SOUTHERN, TYNE TEES, and others.

Westward section listing radio stations like WESTWARD, YORKSHIRE, and RADIO 1, along with their respective programs.

BBC Radio London section listing various radio stations and their programs, including Radio 2, Radio 3, and Radio 4.

London Broadcasting section listing various radio stations and their programs, including Capital Radio, Radio 1, and others.

TV RATINGS (w/e June 17) section listing TV shows and their ratings, including U.K. TOP TWENTY (viewers m.) and various news and entertainment programs.

WEEKEND CHOICE

SATURDAY A busy and interesting weekend on television, especially for sports fans, starts with the World Cup Cricket Final this morning on BBC1, and Women's Colgate International Tennis this afternoon.

ENTERTAINMENT GUIDE section listing various theatrical productions, including OPERA & BALLET, THEATRICALS, and THEATRICALS.

THEATRICALS section listing various theatrical productions, including ARTS THEATRE, THEATRICALS, and THEATRICALS.

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L'Après-midi d'un faune

Nijinsky's first choreography, L'Après-midi d'un faune, remains one of the most intriguing works in the balletic history of this century. Profoundly novel in its physical attitudes—walking as dance; the body shown two dimensionally, as on a frieze; the flow of movement cutting across the pulse of the music—it was, at its first showing in 1912, attended by all the publicity of supposed obscenity.

Foum's subsequent existence in the theatre has seemed a mixture of plerumque about an important ballet deserving to be preserved in performance, the constant desire of dancers to measure up to the Nijinsky legend, and the faint and tantalizing whiff of something naughty to translate the box office.

And now, in this "Nureyev as Nijinsky" week at the Coliseum, it turns up with Festival Ballet, complete with a fine realisation of its designs, and Dame Margot Fonteyn as the leading nymph.

The merit of the presentation is in the placing of the dance. His proper setting—the choreography immediately resonance—but not even the sun-baked hillside can warm the dance into any real semblance of life. Nureyev and his nymphs are careful in preserving the marvellous flattened progression of the movement, but the text and bodies look dry, untouched by the shimmer of the music or the luscious muscular tone which can make the hieratic poses seem anything other than dutiful.

Anyone interested in seeing the faun as a living presence on stage should watch Anthony van Laast's performance in Robert Cohan's Forest with the London Contemporary Dance Company.

CHESS SOLUTIONS section listing chess puzzles and solutions, including Solution to Position No. 273, Solution to Problem No. 273, and Solution to Problem No. 273.

Advertisement for 'selfies' or similar product.

COLLECTING

Relics of a theatre great

THE FIELD

ve, pathetic, tragic, merry—Oh rare, O wondrous Terry...

"Firstly, of Ellen Terry's eight surviving brothers and sisters, six went on the stage...

In my play is not the best part of the female characters. Let me assure that it is what I believe is called the part of the 'leading lady'...

Craig was the son of Ellen Terry and architect and designer E. W. Godwin, while she was still married, although separated, from her husband...



Actress Ellen Terry as Juliet in the late 19th century. Some of her stage props and those of her family are coming up for sale at Christie's South Kensington on Tuesday...

A urgent case for treatment

F—BY BEN WRIGHT IN THE U.S.

HALFWAY stage of the season reached here, there are signs that the state professional game is not rosy as some officials claim to suggest...

gating the possibility of splitting the tour into two divisions, with promotion and relegation...

minor event. Just as surely, Beman will in future try to stage his major productions nearest to the greatest catchment area in terms of urban population...

most successful innovative promotion in terms of spectator interest here in the last decade has been the Legends of Golf Tournament at Onion Creek Country Club in Austin, Texas...

SALEROOM ANTONY THORNCROFT. A typical painting by George Stubbs, showing a dark bay and a grey horse in a wooded landscape...

CONCERTS QUEEN ELIZABETH HALL THURSDAY NEXT 28 JUNE AT 7.45 p.m. CECILE OUSSET piano

ROYAL ALBERT HALL VICTOR HOCHHAUSER presents TOMORROW AT 7.30 Overture, William Tell ROSSINI

GUARDS BANDS SPECTACULAR The Massed Bands of Grenadier Guards, Coldstream Guards, Irish Guards, Junior Musicians Wing, Guards Depot...

55th HASLEMERE FESTIVAL OF EARLY MUSIC July 20-28 Director: CARL DOLMETSCH, C.B.E.

Experience & Expertise No. 385 Lunardi the Balloonist, by Michael Keene 2 1/2 in. (65 mm) high. The appeal of ballooning and the excitement of those first ascents still lingers...

COMPETITION NOTICE OF NATIONAL OPERA HOUSE IN PARIS A competition has been opened at the National Opera House in Paris for the recruitment of two Singing Masters (Lyric Service)...

Stravinsky and Gobbi

ky in Pictures and agents by Vera Stravinsky and Robert Craft...

My Life by Tito Gobbi. Macdonald and Jane's, £6.95. 212 pages

facsimile excerpts from letters and scores as well as innumerable photographs from all periods of the Russian/French/American composer's life...

either. George Sand, the Russian and the Nazis have respectively seen to that. In Chopin Maria Gordon-Smith, herself born and brought up in Warsaw...



For the earlier, Russian and European years, Robert Craft often resorts to a timetable to link the relevant quotations; for the second half of the book he uses Mrs. Stravinsky's diary...

My Life by Tito Gobbi is fortunately a far cry from the usual ghosted opera singer's autobiography. Ida Cook has evolved a style that exactly fits the ebullient personality of the Italian baritone...

WIGMORE HALL Tickets from Wigmore Hall, 36 Wigmore Street, W.1 (01-852 2141) Manager: WILLIAM LYNE

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FINANCIAL TIMES

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Saturday June 23 1979

A chastened Community at the European summit

A gloomy long range weather forecast

A SOBER and sobering week has ended with Britain's weather forecasters on strike, and with markets (and Governments) around the world almost equally unwilling to take a forward view.

U.S. fears The possible recession seems to remain relatively low on the agenda. In Germany the Bundesbank warned that its monetary stance would remain unyielding; inflation is seen as a far more urgent problem.

Promised land If the market trusted these trends and forecasts, one might expect to see Government stock rising sharply, on the strength of sterling and the expectation of recession, and industrial equities demoralised by competitive pressures and the poor sales outlook.

Letters to the Editor Union attitudes From the Chairman, Federation of Conservative Students. Sir—The recent report on microtechnology and trade union reaction to its introduction identified quite correctly the main components of that response.

THE MEETING of the heads of Government of the European Community which ended in Strasbourg yesterday had two related themes. One was how the new British Government, headed by Mrs. Margaret Thatcher, would adapt to the Community. The other was how the Community would adapt to changing circumstances in the world.

To take Mrs. Thatcher first, there is no doubt that she was a centre of attention. It is acknowledged that her Government's intentions towards Europe are quite different from those of its Labour predecessor.

The paradoxical strength of sterling in present circumstances, due to high interest rates as much as high oil prices, offers of course some reassurance on the inflation front.

She has also won her first European prize. The agreement to invite the European Commission to submit proposals which could lead to a reduction of the net British contribution to the Community at the next summit meeting in Dublin in November is better than anything achieved either by Sir Harold Wilson or Mr. James Callaghan.

This contribution is likely to rise to around £1.2bn next year if the system is unchanged. It has become a major drain on the British economy preventing, or so Mrs. Thatcher claimed, further cuts in direct taxation in the British budget earlier this month.

Mrs. Thatcher also gave a pretty strong hint that the Government will give sympathetic consideration to the monetary system itself later in the year, if only for the reason that entry on certain terms could help to stop the pound rising on the exchange markets.

It was, in fact, a remarkable event for a British Prime Minister openly to discuss the prospects for sterling at a Press conference. Whether she did so from inexperience or simply because she believes in being honest is one of those intriguing, unanswered questions about her.

On all other questions Britain was a full participant. There were no occasions when the British leader had to plead special circumstances or to refer to the unpopularity of the Community at home.

For the rest, Britain made monetary concessions that are at least painless and could even be self-rewarding. Mrs. Thatcher announced that the country will participate in the short-term swap facilities which are part of the European Monetary System.

In practical terms, the monetary consequences of this move will be very limited. It was intended as a gesture of good will, but it is precisely such gestures which have been missing in the past.

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ence for placing controls on the spot market and for trying to set an oil price. Even more remarkable, the French then toned down their demands. On the need to stress the vital importance for the future of nuclear energy, the key alliance was between Britain, France and Germany, with some opposition from the Dutch.

In that sense therefore this was a genuine community meeting. There were no permanent factions and, the budget apart, no special cases. At the same time, however, there was a pervasive sense of inadequacy. It was a pity that the budget had to be discussed at all when the Community has bigger problems on its hands.

The issue has not been resolved, but referred to the Commission. As Mrs. Thatcher herself remarked, the "acid test" will come in November. By then Britain could again be in economic trouble and approaching the Community as a suppliant rather than an equal.

External problems facing the community could also be worse. Foremost among these is the world energy situation. At best, what the Community has achieved is agreement in principle to cut oil consumption to a level which would make it compatible with present supplies.

Equally, if oil prices were to go rising at their present rate, there could be drastic economic consequences, although ironically rising prices could do more than anything else to reduce consumption.

It would be naive to imagine that the community is unaware of these awesome possibilities. Buried away in the Strasbourg communiqué, there is a sentence which states that if oil consumers and producers cannot reach a common strategy, "the world will rapidly move towards a large-scale economic and social crisis."

The fact is that the Community recognises the size of the problem, but is also conscious of the limits of its own power to do very much about it.

Perhaps the most striking feature of the discussions on energy was the realisation that Europe can do little on its own. The old rhetoric about building an independent Community, capable of standing on its own feet, is out. In its place there is an insistence that those European leaders, who go to Tokyo next week must do so united and determined to seek a common position with Canada, Japan and the U.S.

There is also talk about Europe being ready to shoulder greater responsibilities in the world. But in no sense is this aimed against the U.S. and there is no thought of Europe as a superpower. Rather does it reflect concern that the American position in the world has weakened, and the need to act together. Europe would like to do more, but has formally recognised that it can only do so in co-operation with its major industrial allies.

One may welcome this development as an acceptance of reality, and certainly there were few illusions at the Strasbourg meeting. But the reality is grim and few problems have been solved. The fear of the consequences of failure was probably responsible for such agreements as have been reached, and it is on fear that we shall have to rely if unity is to be maintained.

Anglo-French agreement There may possibly have been Anglo-French collusion on agriculture with the British agreeing to increase farm prices in return for French acquiescence in taking a new look at budgetary contributions.

Equally Britain must have acted closely with Italy which has its own grievances about unequal returns from the Community. On the subject of oil prices, the decisive alliance seems to have been between Britain and Germany. Both Herr Schmidt and Mrs. Thatcher insisted on their belief in the market economy and the price mechanism in such a way as to override the French preference for placing controls on the spot market and for trying to set an oil price.

Even if the Commission eventually gets the support of EEC Governments, failures such as this week's erode its ability to push through the essential reforms. All the basic formulae have been tried, and defeated, in the past. Both the proposed milk tax, and the cuts in sugar subsidies, appeared in last year's review when the tax was cut and the sugar subsidy cuts rejected as firmly as they were this year.

As last year, the Commission is talking bravely about presenting radical proposals for cutting surpluses in the autumn.

There is some talk of simply refusing to buy up surpluses when production reaches a certain level. Although the Commission is not certain that it has the legal power to do this, there are those who feel this is now the only means left to curb the milk surplus.

With sugar, it may have more leeway since the present market support arrangements run out in 1980. In devising a new system, the Commission may be able to make support arrangements more closely tied to production levels, less closely linked to fluctuations in the domestic political fortunes of the nine Governments.

The course of this week's negotiations indicates why. Since council sessions are private, it is not certain exactly what happened. But piecing together accounts from several of the participants, it appears that as Ministers assembled on Monday, France was pressing for a small price rise. Britain and Germany wanted a freeze, and other member states appeared ready to go either way so long as their own national problems were taken into account.

The first two days were spent in bilateral chats. When the council assembled on Tuesday night the situation looked intractable. Talks appeared likely to break down which would have meant an effective price freeze till the autumn.

More bilateral talks followed on Wednesday, apparently to little avail. When the council resumed on Wednesday night, the French Minister M. Pierre Méhaignerie acting as Council President, proposed breaking the meeting off, referring the issues to the EEC summit in Strasbourg the next day and rescheduling the farm council for the next Tuesday.

This was apparently too much for the Dutch Minister, Mr. Alphons Van Der Stee, who said he was fed up with three days of useless talk. Why, he demanded, did the ministers so simply accept a 2 per cent overall price rise, freeze the milk price, and get on with it.

Denmark and Germany protested suggesting that the costs should at least be examined first, but other ministers seemed keen to discuss the idea. Over the next couple of hours, they cut back the 2 per cent to 1.5 per cent, agreed that since no one liked the milk tax it should be cut right down from the proposed 3 per cent, and mullied over national problems such as Britain's green pound devaluation.

When they broke off at 2.30 p.m., the situation appeared fluid, although it was clear that the British were taking a softer line. But when talks resumed at 9.30 the following morning, the deal suddenly slid into place, with the commission looking on in anguish from the sidelines. The fact that the ministers were able so completely to ignore the Commission may have set an ominous precedent. The implications have not been lost on the Commission.

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THE FARM PRICE DEAL

Cold comfort

GOVERNMENTS congratulating themselves, at least in public, over the EEC farm price package agreed in Luxembourg this week may not have realised quite how high a price they paid for a peaceable settlement.

There is little doubt that the net effect of the package will be to increase the EEC's already huge farm surpluses which are expected to empty the Community purse by 1981, if not sooner.

The dust has not yet settled on the surprise volte face of the British government which made the deal possible. The other Governments are still mulling over the political implications, which could have an enormous effect on the Community's future. But in the short term, the financial implications are even more important.

This is not so because of the 1.5 per cent price rise, which by itself will probably not provoke a crisis. The real damage was done when farm ministers threw out proposals to tax milk production and cut sugar subsidies. These two proposals represented the only major efforts made by the Community this year to reduce the two big surpluses which, according to Mr. Roy Jenkins, the Commission President, will soon cause the Common Agricultural Policy to collapse under its own weight.

The rejection was a humiliating defeat for the Commission and highlights its impotence in the face of ministers bent on a politically attractive deal. Public reaction from heads of Government in Strasbourg, who expressed a broad satisfaction with the agreement, throws the onus on to the Commission to come up with some ideas to rationalise the CAP. The Commission knows there can be no reform of the CAP until EEC governments truly want one. At the moment, evidently, they do not.

But this week's settlement may force Governments to face the problem of surpluses a little sooner than previously expected. Commission estimates indicate that by 1981 the cost of the CAP would push the budget beyond the limits of present EEC revenues. Since both Britain and Germany refuse to contribute more to the EEC budget, this implies that if Governments did not act to curb farm spending by then, farm payments simply could no longer be made.

Those estimates were made before this week's settlement. Though the settlement, according to British figures, only adds £75m to the annual cost of the CAP, it will cost up to £900m more than would have been the case if the Commission's proposals for a price freeze and a greatly increased levy on milk had been accepted.

Mr. Finn Olav Gundelach, the Farm Commissioner, said after the settlement that a supplementary budget would probably be required this year to finance it. The 1980-81 budget estimates would have to be revised sharply upwards because of it.

Even if the Commission eventually gets the support of EEC Governments, failures such as this week's erode its ability to push through the essential reforms. All the basic formulae have been tried, and defeated, in the past. Both the proposed milk tax, and the cuts in sugar subsidies, appeared in last year's review when the tax was cut and the sugar subsidy cuts rejected as firmly as they were this year.

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The first two days were spent in bilateral chats. When the council assembled on Tuesday night the situation looked intractable. Talks appeared likely to break down which would have meant an effective price freeze till the autumn.

More bilateral talks followed on Wednesday, apparently to little avail. When the council resumed on Wednesday night, the French Minister M. Pierre Méhaignerie acting as Council President, proposed breaking the meeting off, referring the issues to the EEC summit in Strasbourg the next day and rescheduling the farm council for the next Tuesday.

This was apparently too much for the Dutch Minister, Mr. Alphons Van Der Stee, who said he was fed up with three days of useless talk. Why, he demanded, did the ministers so simply accept a 2 per cent overall price rise, freeze the milk price, and get on with it.

Denmark and Germany protested suggesting that the costs should at least be examined first, but other ministers seemed keen to discuss the idea. Over the next couple of hours, they cut back the 2 per cent to 1.5 per cent, agreed that since no one liked the milk tax it should be cut right down from the proposed 3 per cent, and mullied over national problems such as Britain's green pound devaluation.



Mrs. Thatcher at Strasbourg declines a glass from the EEC wine lake. Herr Schmidt looks on.



King George's Fund for Sailors looks after them all

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Jelly Roll

In defence of the raucous lawnmower

BRITISH Members of the Parliament have not dithered (rather shakily) to a moment too soon. A task awaits them. A institution is said to be a prospect so grave that it, "party differences are being."

European Commission is now lawnmower noise.

is so central to the way of life. In an increasingly secular country, mower noise has largely dithered (where it does not the sabbath sermon. Its is of idiosyncratic devotion, short grass, a quasi-reverence and for the of neighbours. Lawn-mower noise is the instrument of summer sun-tan these Continentals stopped.

se from lawn mowers," snotty little note of last year from the European Commission. "It often an mental nuisance, and member countries have to introduce laws requiring manufacturers to introduce machines. Unfortunately, mitted maximum noise differ in each country, setting internal barriers a that South Community es.

Commission's aim (it es) is to halt the development of ngly noisy mowers and, ng all the resources of day technology, to imits to be set to permissible levels, and to provide their reduction of these s soon as new techniques are developed."

ems, however, that we frontally to repel this on our raucous Sundays. ter Bullock, managing of Firms and chairman British Lawnmower

Manufacturers' Federation, is merely mildly sceptical about it.

"Our concern is over petrol mowers. The use of electric mowers is increasing, and it is quite easy to make them quiet. But it is worrying for the petrol engine people. We have proposed that there should be a delay in the drafting of legislation while we see what can be done, and the EEC has accepted that." But, he adds, the West Germans may bring in legislation of their own on the issue, and their industry is busy promoting the silent lawnmower. (A strange people, indeed.)

Lousy weather

Yet the disquiet which the EEC has stirred in the British garden-makers industry is a small shadow on an otherwise largely bright existence, in which just about everything has gone right for the past year-and-a-half and is expected to keep on going right for some time to come. The weather, on which the industry's fortunes closely depend, gave it a bad time in 1976 and 1977 by being good, then gave it an unexpectedly good time last year by being bad. This year the weather is lousy, and the manufacturers are predicting an *annus mirabilis*.

The equation is classically simple. A rainy summer—long grass. Stimulated to fever pitch by mowing the lawn, the gardener then throws himself on hedges, hedges and flower beds, using not only mowers, but spades, rakes, forks, clippers, pruners, cultivators, hoes and shears at a great rate. "The Englishman goes into his garden to work," says Dr. Michael Bush, group product manager of Wilkinson's Match's garden tools division, approvingly. "Whereas the German might go

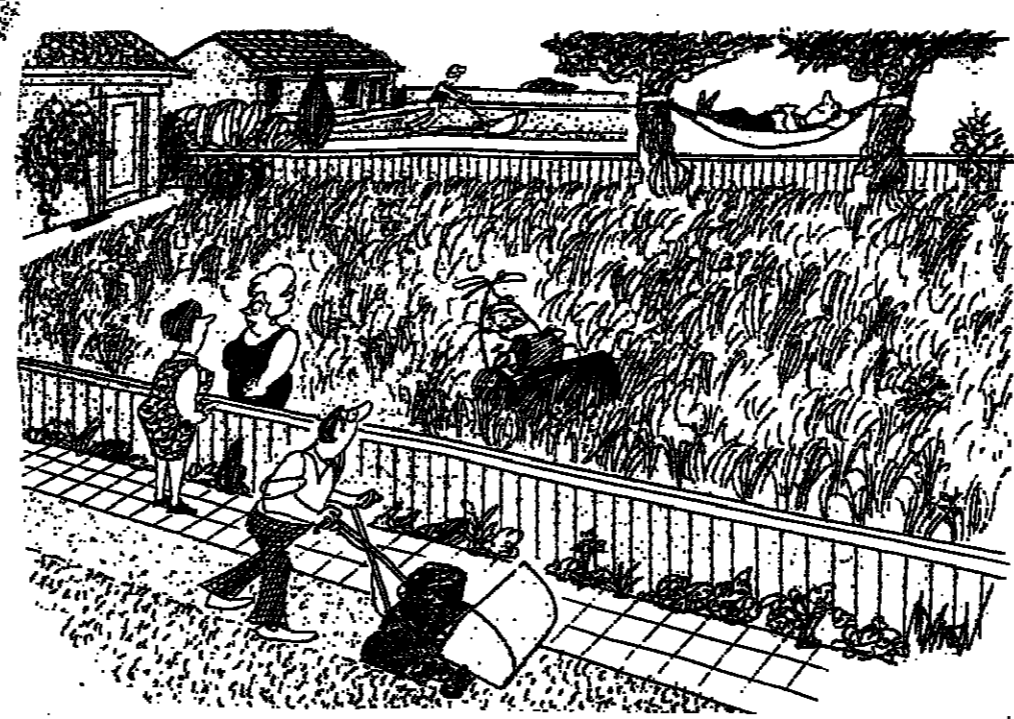
out to have a barbecue and enjoy himself." (There is no understanding these Germans!) The English habit of indulging in hard labour in his garden means a good living for the companies in the industry. In the current year, the lawnmower manufacturers reckon they will sell around 1.5m machines worth £60m. Imports are negligible.

The larger of these sectors is also the more buoyant and the more innovative. While there is still a surprisingly big sale for handmowers—Mr. Peter Prateley, managing director of Qualcast, Homs and Garden Equipment, says he sells between 100,000 and 150,000 a year—the trend remains towards the powered mower and, specifically, the electric. The petrol mower despised by the peace-loving Europeans, is also being increasingly ignored by the British gardener, and finds its main market in the parks departments of local authorities.

In this last market, it is worth noting, the petrol mower has recently seen a revival in its fortunes, one which brings a smile to the faces of its makers. Two years ago local authorities attempted economies by cutting their parks' grass only six times a year. "They soon found it was a false economy," said Mr. Peter Barracough, managing director of Hayer. "In a wet summer, the grass sets out of control. They are now back to regular cutting, and sales of the big spluttering machines are again brisk."

The electric end of the market, however, is where the action is. Here, the three major companies—Qualcast, Flymo and Black and Decker—compete not just for custom, but on lawnmower type.

Until last year, the Great Debate within the industry



"With Harry it's more of an energy shortage than a petrol shortage."

was between the protagonists of the cylinder mower and the supporters of the rotary mower. (A cylinder mower, for the few who have not been sucked into the vortex of this conflict, is the traditional arrangement of curved blades round a central shaft; a rotary is where the cutting arm rotates horizontally, driven by a central vertical shaft.) Much talent and energy has been mobilised to protect the investments in both. The cylinder for long appeared to be dominant because of the supposed preference the English have for striped lawns. It seems, however, that they are beginning to succumb to the German disease of enjoying themselves and are increasingly preferring the easier-to-use, if less close-cutting rotary mowers.

This year, the two-mower system was disturbed by the entry of a third type into the ring. The hovering mower—a machine which cuts while riding on its air cushion, thus making cutting even easier—had, until last March, been an exclusive patent to Flymo. In that month, the patent ran out, and Black and Decker and Qualcast dived in. Both now have their own versions of the hovering mower, and say they are doing well. Peter Bullock of Flymo is insouciant: "It is a good thing that others have come into the market; it gives us a spur. But we will have no difficulty in keeping ahead. Air cushion mowers are the way the world market is going; we reckon that 40-50 per cent of the market will be of the air-cushion type in the next three or four years."

Irrespective of which of the three types of machine they back, the major makers, together with the smaller companies like Hayer, Wolsley Webb, Wolf and Mountfield, are united in their satisfaction with sales. Many have plans for expansion in their plants and workforce; most say they cannot keep pace with demand; the larger—such as Qualcast—are even pondering the possible application of the microchip to their mowers.

They are also comparatively large exporters: Qualcast ships 25 per cent of its production, Black and Decker exports around the same proportion of its mowers, but more than double that figure of trimmers, while Flymo reckons its exports

could approach 50 per cent. Of this figure three-quarters go to Europe, a proportion typical of other manufacturers, but the larger makers don't stop there. "We export to Japan," says Mr. Prateley of Qualcast proudly.

The hand-tool section of the business is, on its own admission, more tranquil. The Commission has not yet discovered substantial annoyance caused by noisy spades; though the hand tool makers are proud to be different from our European partners there as well. A spade is not necessarily a word everywhere. Dr. Bush of Wilkinson's Match points out that a Scots spade is different from an English one, while the German version is likely to have a pointed blade, a five-foot-long shaft and no crossbar at its end. Hardly surprising that they have given up gardening for barbecuing.

An estimate of the worth of this market is around £25m a year, with little growth expected. Exports for most products (with the exception of pruners) are low. The dominating companies are Wilkinson's Match and Spear and Jackson; the former is strong in cutting tools because of its traditional association with things sharp, the latter is much stronger in spades, forks and rakes—and is one of the best-known names in the business.

Irish forge

Wilkinson was strengthened last year by the purchase of True Temper, the garden equipment subsidiary of the U.S. company Allegheny Ludlum. True Temper had a forge in Eire which Wilkinson now owns (it had previously supplied Wilkinson with many of its products). Dr. Michael Bush believes that the acquisition of the forge, together with the

introduction of a middle-price range of tools, has meant that the company's growth over the past year has been around 20 per cent, while the value of the market grew by some 11 per cent.

Spear and Jackson, which says it is "looking hard" at the garden tool sector, also introduced a new range last year, aimed at professional gardeners. The range has done well, it says, though the overall market is stagnant. Still, it allows a living, not just for the big two, but for companies with a more modest stake like Wolf (the only company which also makes a power tool range), Stanley, Rollcut, Bulldog, Jenks and Catell.

Overall, the customary equation of rain with profits is questioned by Mr. Gerry Wartha, Spear's marketing manager. His theoretical belief is that rain may encourage all those who fear public opinion to settle down offending grass, but discourages the amateur from doing much more. Dr. Bush of Wilkinson does not see the same effect, but admits that much of his company's growth has probably come from taking other companies' market share.

Both power and hand-tool makers alike agree that there is fair growth in the "leisure" end of the business—where powered tools shade into garden furniture—stone lion, marble nymphs and miniature swimming ponds. Most appear to have no intention of going down that broad and easy road, however. They want to stick to their straight and narrow, engineering or forging path. That kind of thing is obviously best left to the Germans. Emulation of their habit of relaxing in the garden could well lead to the concomitant habit of working in the workshop.

Weekend brief

McCormack wins his will win

They are quoting him at William Hill gives him four and Mark McCormack says he's a cert. If I bet on McCormack I'd take McCormack's advice and money on Bjorn Borg to Wimbledon stakes next. A tip from McCormack is form is about as good from the horse's mouth, that McCormack isn't of course. For the past years the founder and ment of the International ment Group of sports on companies has been agent, business manager and advisor. He's conat Borg is going to take rth straight Wimbledon

Why Mark McCormack thinks that Bjorn Borg will win yet again... pop goes to Moscow... Hardy Amies at 70.

a millionaire many times over. He takes a handsome percentage of his clients' endorsement and promotional fees, but says the care and advice he gives them more than compensates. "I know some people call me Mark the Knife, but none of my stars complain. They know they're getting value for money."

McCormack certainly seems to work for the 10 to 50 per cent out he draws from his superstars. His day generally starts with a business meeting over breakfast at 7 am, preceded always by a jog at 5.30 am. When he's in London he runs through the street of Knightsbridge near his Cadogan Square apartment. For relaxation he plays a little tennis, and, he says, no more golf.

"I used to be a scratch golfer but now I'm on about a four. I like to tell myself its just through lack of practice. After Wimbledon I'm going to spend a couple of weeks playing golf at Glemesgies and Turnbury. I hope to get my handicap back down again."



Mark McCormack: odds are in favour of winnings all round

Hardy Amies and the elegant loo brush

Anyone distressed by the news that Hardy Amies, that eternal guardian of the British fashion, is 70 in a matter of weeks might be comforted by the impressive appearance of Amies himself. While those of us who developed our fashion taste with Amies as the oracle may be fattening around the waistline and slowing in our pace, the oracle itself is as trim and spritely as ever, his fashionably narrow striped tie, pleated trousers and short-cuffed button-down shirt, sitting on a figure seemingly unbothered by the passing years.

Amies' commercial activities have for some time been under the umbrella of Debenhams, which grants him a somewhat pleased by the popularity of the Amies line internationally these days. Latest reports indicate that the Amies name pulled in some £500,000 in licensing fees in the 12 months to spring of this year, a quarter of that from the U.S.

The high fashion side of the Amies business—witness the Queen at Ascot this week—is complemented by a broad ranging design activity that includes everything from ties to towels. Soon Marley Extrusions is to launch a range of Amies designed bath-room items, including much to his amusement an Amies loo roll. But the main Amies international reputation comes from menswear. For example, he reckons that 55 per cent of New Zealand men wear suits in whose design he has had a hand.

Amies is an entertaining mixture of pride in his ability as a tailor and modesty about being in the right place at the right time when what he calls "the peacock revolution" took place after the war and made men conscious of their appearance. Amies' link up with Hesperia in the UK is now nearly 20 years old and since then the Amies name has found its way onto sales stands the world over. The Japanese are particularly enthusiastic—in Tokyo you can buy Amies umbrellas and Amies bags.

Like the rest of us, however, Amies has been caught to some

extent by recent changes in menswear. With the sudden swing to shorter shirt collars he is bemoaning the fact that he cannot afford to revamp his wardrobe "with silk shirts costing £35 a time." Somehow, however, he struggles through, and in a few days time is off on a two month tour of foreign markets.

The main task of the trip is to advise his franchise holders on what to expect from the male fashion world over the next two years. Debenhams meanwhile are taking a longer view. Already having control of the Amies companies it has now signed up the man himself on a life-time contract. The way he was looking on a balmy evening earlier this week that could mean a very, very long time.

How Leo Sayer aims to go East

Mr. Brezhnev could soon be singing "I'm a one-man band," and in the original Leo Sayer version, too. For Chrysalis Records has just sold Sayer, a diminutive doyen of the British rock scene who now spends much time in the Californian sun, to the Soviet Union. This particular exchange involves music rather than dissidents and is part of the Russians' acceptance of western pop music. Their young people listen to it anyway, so why not get some kudos for the Government by supplying it officially?

In recent years a trickle of British artists has appeared in the Soviet Union, most recently Cliff Richard and Elton John, but it has been harder to get their records accepted. EMI succeeded with Wings and now Chrysalis has done a deal with Mezhdunarodnaya Kniga which has Leo Sayer released on the Melodya label, the biggest in the country, and the only one. Unlike the ultra competitive, if not unethical, UK record scene there is no fighting for a place in the charts in the Soviet Union. MK decides how many

records are needed and presses them. Every artist is sure to sell out, so keen is the Russian enthusiasm for music. Indeed it is now the fourth biggest record market in the world.

Leo Sayer's album The best of Leo Sayer will probably rate an edition of 250,000 which is more than it has sold in the UK, but the financial return will not be nearly as great. The Russians are hard bargainers, and it has taken Des Brown, Chrysalis International Director, three years to set up the deal. The initial cash gain is small; the potential is enormous. One problem for Brown and Chrysalis is that the Russians will be expecting to market their artists in the UK. There will be no problem with the classical music repertoire on the Melodya label but on the pop side Chrysalis will be insisting on English lyrics and western producers before the tops of the Russian pops get the chance to plug Don't cry for me Vladimir on British television.

Sir Harold and a new reel for film-makers

It looks like being a hectic week for the film business. Although Sir Harold Wilson was to set the ball rolling with the unveiling of his report on, and recommendations for, the future of the UK large screen industry he has now moved the date on until Thursday. He thus lets the new James Bond picture (U.S. cash, British stars, French locations) provide the opening number.

What is intriguing, of course, is what notice Government will take of the Wilson report. For Mrs. Thatcher, however, I bring tidings of encouragement, for it seems Sir Harold has taken a singularly capitalistic view of the cinema's future.

Contributors:
Robyn Wilson
Anthony Thorncroft
Arthur Sandles.

Economic Diary

TODAY—Mr. Nicholas Edwards, Secretary for Wales, at Wales Conservative Conference, Metropolitan Hotel, Llandrindod Wells.

MONDAY—Mrs. Margaret Thatcher, Prime Minister, meets Trades Union Congress economic committee at Downing Street to discuss Budget, to be followed by statement from Mr. Len Murray, TUC general secretary. Quarterly analysis of bank advances (mid-May). National Union of Rail-waysmen conference opens. Oldway Mansion, Paignton (until July 7). TUC-Labour Party Liaison Committee meeting, Congress House, London. Sir Keith Joseph, Industry Secretary, speaks on "Why Industry Matters." Industry Society, 3, Carlton House Terrace, London.

Local authority white collar workers' pay talks resume. EEC Fisheries Council meets. Luxembourg. National Food Survey report on consumption (1st quarter). British Medical Association conference opens, Liverpool University (until June 29).

TUESDAY—Mrs. Margaret Thatcher leaves for Tokyo to attend Thursday's world economic summit. Unemployment and unfilled vacancies (June provisional). Organisation of Petroleum Exporting Countries meeting opens. Geneva. Statement by Sir Harold Wilson on report on financing

film industry. Confederation of Shipbuilding and Engineering Unions conference opens. Winter Gardens, Llandudno.

WEDNESDAY—Second Reading of Finance Bill in House of Commons. TUC general council meets. Congress House, London. Labour Party national executive committee meets. Transport House, London. Sir Keith Joseph is guest speaker at British Institute of Management conference luncheon, London Hilton. Mr. Peter Walker, Minister of Agriculture, addresses Farmers' Club meeting, 1, Whitehall Place, SW1. 2.15 pm. Announcement by

Institute of Economic Affairs on surveys on alternatives to state education and medical care. Society of Motor Manufacturers and Traders reports on plans for reducing petrol consumption of new cars.

THURSDAY—Two-day World Economic Summit opens, Tokyo. Two-day Financial Times conference on Domestic Banking opens, Dorchester Hotel, London. Energy Trends publication. Capital expenditure by manufacturing, distributive and service industries (1st quarter). Manufacturers' and distributors' stocks (1st quarter). Department of Employment Gazette.

FRIDAY—Queen visits Atomic Weapons Research Establishment.

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The determination shown by the Chancellor to reduce the Public Sector Borrowing Requirement and to control the money supply should result in lower interest rates and a lower rate of inflation in due course.

The short term is not without problems and the immediate outlook for interest rates is uncertain. However, yields on gilts are still high in historic terms and in comparison with international alternatives. This provides opportunities for capital appreciation plus a high level of income.

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Gillett Brothers Discount Fund Management Limited is a wholly-owned subsidiary of Gillett Brothers Discount Company Limited which was founded in 1867 and is an original member of the London Discount Market Association.

How to invest

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Other information

Distribution of net income will be made quarterly on the last day of March, June, September and December. First distribution will be on 28th December 1978.

The offer price of units includes an initial charge of 3% (commission of 1% will be paid to recognised agents). An annual management charge of 1% plus VAT of the value of the Trust is deducted from the gross income.

The management company is Craigmount Unit Trust Managers Limited, a member of the Unit Trust Association. Registered Office: 6th Floor, St. Martins House, 16 St. Martins-le-Grand, London EC1A 4RT.

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Good second half lifts Scapa to record £8.8m

INCLUDING results of the Bury and Masco companies acquired in 1978, taxable profits of Scapa Group, expanded to a record £8.8m for the year ended March 31, 1979 against £7.4m, with a second half contribution of £4.6m compared with £3.1m.

Table with 4 columns: Company Name, Current payment, Date, Total last year. Includes Anderson's Rubber, Anderson Strathely, E. Austin (London), Biscuit Tin, Brunner Trust, Cardiff Malt, Charter Tst. & Agri. Int., Continental & Indus., Electra Inv., Finance & Ind. Tst. Int., Grange Tst. Int., Highgate and Job, Rivington Reed, Scapa, Triples, Victoria Carpet, Wharf Mill, B. & W. Whiteley.

Whiteley back to dividends

Following the recovery from losses of £66,496 to a £170,190 profit at half-way, B. S. and W. Whiteley finished the year to March 31, 1979 with a profit before tax of £347,324 compared with a £265,209 deficit in the previous year.

figure of £165,504 does not quite match the interim profits but it is sufficient to suggest the group is consolidating the turnaround from the £265,000 loss recorded in 1978.

The directors state that the advance in profit would have been greater if it had not been for the strengthening of the pound against the dollar and other trading currencies during the period.

Dividends shown per share net except where otherwise stated. Equipment after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Corrected.

Recovery seen by Highgate & Job

THE DIRECTORS of Highgate and Job Group, marine and animal oil refiner, protein meal producer, report a pre-tax loss of £123,355 for the year ended March 31, 1979, against a £106,267 profit, but they expect the year to trade profitably in the current year.

Turnover fell from £10.2m to £9.57m and, as well as the interim, the final dividend has been omitted—last year's total was 2.5p.

Rivington Reed cuts final dividend as profits slump

FOR the 53 weeks to March 31, 1979, pre-tax profits of Rivington Reed slumped from £1.09m to £351,000. At the interim stage the directors forecast an increase of 10 per cent in the final dividend. In the event the total payment is held at 4.42p with a lower final of 2.60p net.

(which the company says will definitely be a record) of the carpet division is still deteriorating. The carpet division was marginally profitable last year, but the results must cast doubt on the advisability of recent investments in the industry.

Victoria Carpet profit up

From turnover of £15.01m against £12.2m, profits before tax of Victoria Carpet Holdings increased sharply from a depressed £128,198 to £700,381 in the year ended March 31, 1979.

Victoria Carpet Holdings increased sharply from a depressed £128,198 to £700,381 in the year ended March 31, 1979.

Historically the last quarter of the company's year is the most profitable. The directors report that this period was severely affected by nationwide industrial troubles in January and February.

Anderson's Rubber declines

A SHARP second half decline left the profits of Anderson's Rubber Company down more than £20,000 in the year to January 31, 1979. The surplus fell from £106,429 to £82,587 after a mid-year advance from £57,300 to £72,700.

The year's profit includes £192,820 (nil) temporary employment subsidy and part recovery of the Bond Worth Group debt of £36,000 (£110,979 credit). Tax charge is £18,552, compared with a £15,056 credit.

Hargreaves rights to reduce borrowings

Shareholders in Hargreaves Group are being asked for a cash injection of around £4m to reduce short-term borrowings. The money is being raised by a rights issue on the basis of one-for-three at 47p per share.

than a tenth—but the company says it has no large projects in the pipeline. The most obvious reason for the cash call, therefore, is to reduce interest charges, which last year trimmed £6.5m off the pre-tax profits figure and reduced the percentage gain to a mere 1.5 per cent.

Anyone who invested in Rivington Reed's recent convertible share issue may now be regretting the decision. The price has fallen from 38p to 30p since the issue was announced seven months ago and on the basis of yesterday's result there seems little reason for confidence that it will reach the 70p conversion price in the foreseeable future.

E. Austin (London) improves

Over the past two years Lonrho has reported only modest increases in profit but analysts expect growth to pick up in the current period. The first-half results, due next Friday, will include a full six month contribution from the House of Fraser stake although it is not clear for what period the company will fully consolidate the newly-acquired SITS.

Profits before tax of E. Austin & Sons (London) improved slightly from £408,000 to £420,000 in the year ended March 31, 1979. Turnover amounted to £5.28m, compared with £4.45m.

London listing for Weeks Petroleum

Just four months after deferring an application for a listing of its shares in the U.S., Weeks Petroleum, a Bermuda-based oil and gas exploration company, announces that it proposes to apply for a listing by way of introduction, of all its capital on the London Stock Exchange.

Weeks, which operates out of Westport, Connecticut, said yesterday that the company's present listing on the Australian associated Stock Exchanges will be maintained.

Results due next week

Table with 2 columns: Company, Final Dividends. Lists companies like Ailano (Edgar) Bailfour, Avana Group, BATA Industries, etc.

in mind but the average estimate is around £240m. BAT made £221m in the first half of last year and can expect a first-time contribution net of finance charges of around £3m from Appleton, meaning that the most pessimistic forecasters expect no organic profits growth.

STC basis of allotment

The offer-for-sale of 15m ordinary 25p shares in Standard Telephones and Cables, a subsidiary of International Telephone and Telegraph of the U.S., was oversubscribed 111 times.

More than 44,000 applications have been received for a total of about 188m shares.

Table with 4 columns: Announcement due, Last year, Final, This year. Lists companies like Ailano, Avana, BATA, etc.

Table with 4 columns: Announcement due, Last year, Final, This year. Lists companies like Rediffusion, Renold, Renwick Group, etc.

It is expected that letters of acceptance will be sent on June 27 for dealings to commence on the following day.

Table with 4 columns: Announcement due, Last year, Final, This year. Lists companies like Blundell-Palmer Holdings, Bond Street Fabrics, CGS Holdings, etc.

Hawthorn wins approval: some M & G votes missing

BY CHRISTINE MOIR

At the special meeting of Hawthorn Leslie yesterday, shareholders gave the Board a mandate to buy Jcdmond Engineers and its associate, Flash Fasteners, for \$854,000.

He said after the meeting that he had cast only the votes which supported him because he believed the registrars would automatically count M and G's two holdings with the board's total.

Government. It is proposed that 18,800 hectares be allotted to the consortium members as follows: Anglo-Indonesian 3,000, M. P. Evans 2,500, McLeod Russel 7,500, Rightwise 3,000 and Urogate 2,500.

Notwithstanding the opposition mounted by Davis Investment, a Jersey-based group headed by Mr. Tom Scrase (senior partner of stockbrokers Citibank), 385,000 shares were cast in a poll for the directors and £83,000 against—a majority of five to one.

The concession to be developed, which amounts to approximately 26,000 hectares, was granted to Anglo-Indonesian in 1971 by the Indonesian

Panel clears Aurora

The Takeover Panel has cleared Aurora Holdings of allegations of "warehousing" shares during its surprise bid for Edgar Allen Bailfour, when it picked up a near 30 per cent stake in EAB in a matter of two hours in the market after the bid announcement.

Sale of North Sea interests will realise £32m for P & O

BY JAMES BARTHOLOMEW

The P and O Group will receive a total of £32m from BP for its North Sea oil interests which include a 15 per cent stake in the Beatrice Field. The deal was foreshadowed earlier this week.

managing director who resigned in March had opposed the sale. The "policy differences" which led to his resignation have never been spelt out.

In April the British National Oil Corporation bought out the interest of Mesa group of America on a basis which would indicate a price of £1m for the P and O stake.

Sale of the interests has been under negotiation for many weeks—a delay which has worked to the advantage of P and O since the rising oil price has increased the value of its stake.

P and O negotiated with "a substantial number of people" before reaching agreement with BP. The British oil major may have been able to offer more than some others because it can reduce its corporation tax charge on fields where the oil is already flowing.

deal BNOC will emerge as the major shareholder in Beatrice with 28 per cent. Kerr McGee will have 25 per cent, Deminex 25 per cent, BP 15 per cent and Hunt Oil 10 per cent.

Mr. Oliver Brooks, managing director of P and O, said yesterday that the Beatrice was "a real investment" and that it was "outside the mainstream activities" of the group.

The deal will increase P and O's reserves by £20m which will be treated as an extraordinary item in the 1979 accounts. P and O announced yesterday that it had completed another part of its retrenchment with the sale.

See Lex

Wickenden feels Furness has made the better case so far

Mr. Keith Wickenden, chairman of European Ferries and Conservative MP for Dorling, yesterday rejected suggestions that he was dissatisfied with the management of Furness Withy.

Mr. Wickenden's group holds a 5 per cent stake in Furness. His support for proposals which the Eurocanadian-KCA camp is presenting to Furness shareholders is being actively sought ahead of the Furness annual meeting next Thursday.

at 56p, prior to an announcement that the directors had received an approach "which could lead to a merger of Heron with another company."

Mr. Wickenden said yesterday: "This affair gets more unbelievable by the minute. I was spitting blood when I saw the reports."

Mr. Wickenden said yesterday: "I shall decide what to do either on the morning of the AGM or the night before. We hope to keep Furness and KCA and Eurocanadian guessing to the last minute, but so far Furness has made the better case than the other side."

Consequently, they have asked that dealings be suspended for a few days so as to avoid any danger of rumour leading to a false market.

HERON MOTOR

Shares of the Heron Motor Group were suspended yesterday

the time to run another company."

See Lex

Geevor declares promised extra dividend

BY KENNETH MARSTON, MINING EDITOR

CORNWALL'S Geevor Tin Mines is declaring the extra dividend for the year to March 31 last of 3.14p net which was promised in 1978.

In his statement with the annual report the chairman, Mr. R. H. MacWilliam says that it is hoped to extend operations outside the present mining leases, although this would entail "considerable capital expenditure."

The Cobalt camp silver was all the rage and cobalt is unwanted by-product. Nowadays cobalt is in strong demand, the price having advanced from around U.S.\$6 to some U.S.\$25 per lb in the past 12 months alone.

The new shares will not rank for the latest dividend and the forecast is given of likely results for the current year. But providing production is maintained, the chances of a further dividend increase are encouraging against the background of a tin price average so far this year of well over £7,000 per tonne compared with an average of £5,800 per tonne received in the year to last March.

As previously reported in this column the current rights issue is part of a £2m plan which will raise ore milling capacity by

First quarter profits of Dickenson Mines come out at £887,000 (£894,000) or 23 cents per share against £863,000 in the same period last year. Third quarter profits were £827,000 against £871,000 a year ago.

Handwritten signature 'Jelly' at the bottom of the page.

COMPANY NEWS

Dividend cut by Harf Mill

Loss in the second year... directors of John Michael (Savile Row) say that following consolidation of the company's affairs, they are looking forward to a period of expansion.

Sterling Industries on target

AS FORESEAWED at the interim stage, Sterling Industries, light engineering group, achieved second half profits at £446,000 against £458,000, not significantly different from those in the same period last year.

Michael or pension

Profits were after crediting a net release from provisions in respect of contractual warranties amounting to £77,000, compared with a £91,000 provision in 1978.

Take-over bids and deals

Bouvier Properties, the subsidiary of the National Coal Board's Pension Fund, is to proceed with its £30 per share bid for Continental Films Properties after the latter's Board decided to oppose the offer.

Deals in Amalgamated Distilled Products were suspended on Monday at 4.45p. ADP's directors said that discussions were in progress which may result in "an association with a third party."

Table with 5 columns: Company bid for, Value of bid per share, Price before bid, Value of bid per share, Final bid date. Lists companies like ACE Machinery, Allen (Edgar), John Bright, etc.

Anderson Strathclyde ahead: sees benefits from orders

PRE-TAX profits of Anderson Strathclyde, mining and industrial equipment manufacturer, finished the March 31, 1979, year at £4.08m against a previous £3.97m.

Nelson falls but forecasts recovery

Earnings are shown as 9.1p (8.7p) per 25p share, on increased capital and the dividend is effectively raised to 3p (2.5683p) net with a final of 2p.

Utico improves at six months

For the six months to March 31, 1979, Utico Holdings, tobacco-naming subsidiary of B.A.T. Industries, released pre-tax profits from £2.95m to £3.34m, on turnover of £40.1m compared with £35.7m.

Table with 5 columns: Company, Value of bid per share, Price before bid, Value of bid per share, Final bid date. Lists companies like Sekong Rubber, Sheepbridge Eng, etc.

PRELIMINARY RESULTS

Table with 5 columns: Company, Year to, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Lists companies like Arbutnot Latham, Baker Perkins, etc.

INTERIM STATEMENTS

Table with 5 columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p). Lists companies like Anglia TV, Bakers Stores, etc.

Offers for sale, placings and introductions

Deitlight: Placing of 313,000 ordinary 10p shares at 66p.

Script Issues

House of Fraser: One for five.

Rights Issues

Century Oil: One for four at 65p raising £1.7m. Goldberg (A. and S.): One for three at 60p raising £2.6m.

Table with 7 columns: Vol., Last, Vol., Last, Vol., Last, Stock. Lists various financial instruments and their prices.

FIRST CASTLE SECURITIES LTD. A property revaluation at Mansfield Brewery has thrown...

in the year ended 31st January 1979—re-tax profits increased from £650,393 to £1,310,027. Earnings per 10p ordinary share rose from 3.5p to 10.4p.

Chairman: Leslie Connor BA. Head Office: Castle Chambers, Castle Street, Liverpool L2 9TB.

DUPLÉ. Coach and bus bodywork, hot compression mouldings, textile machinery and precision engineering.

INTERIM REPORT. Unaudited results for six months to 28th February 1979. Table with 4 columns: Half Year, Half Year, % inc, Year.

MANSFIELD BWY

A property revaluation at Mansfield Brewery has thrown...

RESULTS AND ACCOUNTS IN BRIEF

CANADIAN AND FOREIGN INVESTMENT TRUST—Results for year to March 31, 1979, already reported. CANADIAN AND FOREIGN INVESTMENT TRUST—Results for year to March 31, 1979, already reported.

United Guarantee advances to £307,864 after six months

INCLUDING a £67,664 exceptional credit, pre-tax profits of United Guarantee Holdings advanced from £192,940 to £307,864 for the six months ended March 31, 1979.

The directors of this lubricants, fuel oil and heating services group say results were after taking account of many difficulties experienced as a result of all supply shortages and cut-backs to drivers strike and distribution problems created by the bad winter.

Satisfactory result seen by Ldn. Sumatra

Present indications at London Sumatra Plantations are for a satisfactory result from this year's working, says Sir Arthur Hope-Jones, the chairman, in his annual statement.

Five Oaks asks shareholders for support

Mr. A. A. P. Southall, chairman of Five Oaks Investments, has written to shareholders strongly urging them to vote against motions proposed by Mr. J. M. Peutherer to replace three members of the Board.

Deritend hopes for recovery

Prospects for the current year are reasonable, and the manufacturing companies' order books are quite healthy, says Mr. D. J. Mead, chairman of Deritend Stamping Company, in his annual statement.

The company increased its reversionary bonus rates to record levels earlier this year and Lord Denman, chairman of MCM Assurance said that the improved bonus rates enticed the company to share with policyholders the benefits of its successful investment policy.

J. N. Nichols sees continued expansion

Continued expansion for J. N. Nichols (Vimto), mineral water manufacturer, is forecast by Mr. Peter Nichols, the chairman, in the year ended March 31, 1979.

Two companies lift terminal bonus rates

Two life companies have announced higher rates of terminal bonus paid on with-profit contracts which become claims either by death or maturity of the annuity vesting.

Continental and Industrial up to £1.95m

Taxable revenue of Continental and Industrial Trust advanced from £1.82m to £1.95m in the year to May 31, 1979.

Ellerman Lines report delayed

Ellerman Lines says its report for 1978 will not be published until after June 30. The company depends upon setting figures from sources overseas, and this has caused the delay.

LONDON PRUDENTIAL INVESTMENT TRUST, LIMITED

Table with 3 columns: Performance, Last Year, 1978. Lists various performance metrics like Last Year, FT Asset Value per share, etc.

Extract from the Statement by the Chairman Mr. H. B. Barling. It is perhaps interesting to note that the dividend has now risen by a slightly larger amount over the last ten years than the rise shown in the cost of living index.

INTEREST 14 1/2% PER ANNUM. Paid on deposits tax deducted. Applicable to UK residents and non-UK residents. Various income tax rates.

Companies and Markets

WORLD STOCK MARKETS

Early firmness on Wall St.

INVESTMENT DOLLAR PREMIUM
\$2.60 to \$1-37 1/2 (39 1/2%)
Effective \$2.1415 13 1/2 (14 1/2%)

rights of Peninsular and Oriental Steam Navigation.
Indications were that Chrysler would open \$75 on \$10 and \$12, against \$75 on Thursday, even though Volkswagen denied any plans to acquire it.

171.63, Banks 2.13 to 303.90 and Utilities 1.98 to 236.20.
Asbestos Corporation trading was halted at \$46—it has filed a suit in Quebec Superior Court to halt the expropriation of the company by the Quebec Government.

mixed, Dutch Internationals steady.
HONG KONG—Lower on local liquidations. Public offer of 30m HK\$1 shares in Far East Hotels oversubscribed by 10 per cent largely disregarded.

At 1 pm the Dow Jones Industrial Average was up 1.99 to \$45.63, marking a rise of 2.33 on the week, while the NYSE All Closing prices and market reports were not available for this edition.

AT&T dropped \$1 1/2 to \$10 1/2 after forecasting a second quarter operating loss.
Aluminum stocks continued under pressure following bearish Press comment in London on the outlook for Aluminum prices.

JOHANNESBURG—Gold share market in line with bullion prices, following strong overseas demand.
TOKYO—Slightly lower in mixed trading. Volume 460m (400m) shares.

Insurances, Banks and leading Financials showed fair gains.
Leading Industrials mixed on Bond quiet with small gains. PARIS—Market firm in active trading, helped by technical factors and united stand of nine EEC countries on oil conservation.

Common Index, at \$58.11, gained 20 cents on the day and 26 cents on the week. Rises led falls by an eight-to-five majority, while the trading volume totalled 24.8m shares.
Institutional investors were reluctant to be aggressive buyers, however, in light of uncertainty over what OPEC Ministers might decide on oil prices next week. Zale climbed \$3 to \$21—it will buy back 2m of its shares at \$22 each.

Volume leader Bally Manufacturing fell another \$2 1/2 to \$41—it will contest a New Jersey Rule prohibiting Casino operators from buying more than 50 per cent of their slot machines from one maker.
THE AMERICAN SE Market Value index rose 0.11 to 199.94, making a rise of 2.75 on the week.

SWITZERLAND—Steady to firm.
Except for Export shares volume significantly larger than in recent weeks. Weakness of dollar attracted Foreign funds.
Banks, Insurances and Financials pointed upwards. Foreign Bonds higher. Domestic Bonds barely steady. U.S. stocks, featured by Chrysler which rose \$wFr 3 to 16 on rumours of a takeover by Volkswagen despite denial by both companies. German issues

Foreign stocks broadly firmer.
CIT-Alcatel rose Fr 10 to 1,020 on higher group 1978 profits.
Oils continued firmer on rise in petrol and domestic fuel prices.
Transporters lost ground. Foreign stocks broadly firmer.

Indices

NEW YORK—DOW JONES

Table with columns for June 20, 21, 22, 23, 1979, High, Low, and % Change. Includes Dow Jones Industrial Average and other market indices.

Indices

N.Y.S.E. ALL COMMON

Table with columns for June 20, 21, 22, 23, 1979, High, Low, and % Change. Includes NYSE All Common and other market indices.

Indices

MONTREAL

Table with columns for June 20, 21, 22, 23, 1979, High, Low, and % Change. Includes Montreal market indices.

Indices

TORONTO Composite

Table with columns for June 20, 21, 22, 23, 1979, High, Low, and % Change. Includes Toronto Composite and other market indices.

STANDARD AND POORS

Table with columns for June 20, 21, 22, 23, 1979, High, Low, and % Change. Includes Standard and Poors indices.

STANDARD AND POORS

Table with columns for June 20, 21, 22, 23, 1979, High, Low, and % Change. Includes Standard and Poors indices.

THURSDAY'S ACTIVE STOCKS

Table listing active stocks on Thursday with columns for Stock Name, Price, and % Change.

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Table listing active stocks on Thursday with columns for Stock Name, Price, and % Change.

F.T. CROSSWORD PUZZLE No. 4,003

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY.

RACING BY DOMINIC WIGAN

Racing schedule table with columns for Race, Time, and Location.

RACING BY DOMINIC WIGAN

Although Volcanic, who enjoyed yet another outstanding Royal Ascot, scored a double at the Heath meeting a year ago through Noble Quillo and Imperial Fling, I expect him to do it again, this time on Celtic Halo and Imperial Dilemma.
Celtic Halo, who bids for his second course and distance victory, in the five-furlong Fortnum and Mason Stakes, has taken a while to come to hand.

ASCOT

- 2.00—Eric Stuart
2.30—Imperial Dilemma
3.00—Celtic Halo**
3.35—Volcanic*
4.10—Sea Ballad
4.40—Gin Game**

ASCOT

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2.30—Imperial Dilemma
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Imperial Dilemma, a newcomer trained by Harry Thomson Jones, has been striding out in impressive style in recent gallops. He should take the Fenway Stakes before going on to better things. A year ago this race went to another newcomer, Contralto.

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SOLUTION TO PUZZLE No. 4,002

Grid for crossword puzzle solution No. 4,002.

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Grid for crossword puzzle solution No. 4,002.

SOLUTION AND WINNERS OF PUZZLE No. 3,997

Following are the winners of last Saturday's puzzle:
Mr. A. B. Beesley, 76, Derwent Road, Wolverhampton, WV6 9ES.

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SPAIN

Table with columns for Stock Name, Price, and % Change. Includes Spanish market data.

SPAIN

Table with columns for Stock Name, Price, and % Change. Includes Spanish market data.

BRAZIL

Table with columns for Stock Name, Price, and % Change. Includes Brazilian market data.

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Table with columns for Stock Name, Price, and % Change. Includes Brazilian market data.

MILAN

Table with columns for Stock Name, Price, and % Change. Includes Milan market data.

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Table with columns for Stock Name, Price, and % Change. Includes Milan market data.

NOTES: Overseas prices exclude \$ premium. Belgian dividends are after withholding tax.

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NEW YORK

Table with columns for Stock Name, Price, and % Change. Includes New York market data.

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Table with columns for Stock Name, Price, and % Change. Includes New York market data.

STOCK

Table with columns for Stock Name, Price, and % Change. Includes various stock market data.

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Table with columns for Stock Name, Price, and % Change. Includes various stock market data.

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Table with columns for Stock Name, Price, and % Change. Includes various stock market data.

GERMANY

Table with columns for Stock Name, Price, and % Change. Includes German market data.

AUSTRALIA

Table with columns for Stock Name, Price, and % Change. Includes Australian market data.

PARIS

Table with columns for Stock Name, Price, and % Change. Includes Paris market data.

TOKYO

Table with columns for Stock Name, Price, and % Change. Includes Tokyo market data.

SWITZERLAND

Table with columns for Stock Name, Price, and % Change. Includes Swiss market data.

AMSTERDAM

Table with columns for Stock Name, Price, and % Change. Includes Amsterdam market data.

MILAN

Table with columns for Stock Name, Price, and % Change. Includes Milan market data.

OSLO

Table with columns for Stock Name, Price, and % Change. Includes Oslo market data.

STOCKHOLM

Table with columns for Stock Name, Price, and % Change. Includes Stockholm market data.

VIENNA

Table with columns for Stock Name, Price, and % Change. Includes Vienna market data.

JOHANNESBURG

Table with columns for Stock Name, Price, and % Change. Includes Johannesburg market data.

INDUSTRIALS

Table with columns for Stock Name, Price, and % Change. Includes industrial stock market data.

Financial Times

Financial Times Saturday June 23 1979

INTERNATIONAL COMPANIES and FINANCE

Japanese insurance structure improved

Smith in Tokyo Ministry of Finance provisional approval of the joint operation of the Prudential Company and Sony...

Skis Rossignol forecasts sharp growth in sales

BY TERRY DODSWORTH IN PARIS SKIS ROSSIGNOL, one of France's fast-growing glamour companies, is forecasting 20 per cent growth in sales next year...

Norsk Data to acquire Tandberg interests

BY OUR FINANCIAL STAFF NORSE DATA, the Norwegian-based electronics company, is to take over the major interest in Tandberg Industries...

Asbestos Corporation files suit in Quebec

MONTREAL — General Dynamics Corporation said that its majority-owned Asbestos Corporation unit had filed suit in Quebec Superior Court...

responding to the passage of an Expropriation Bill by the Quebec Legislature. They are seeking an injunction to stop any expropriation...

Big reduction in losses at Statsforetag

BY WILLIAM DUFFICE IN STOCKHOLM STATSFÖRETAG, the Swedish state holding company, reduced its losses faster than expected during the first four months of the year...

Rising costs hit profit at Pan Malaysia Cement

BY WONG SUI LUNG IN KUALA LUMPUR THE cement manufacturers have complained bitterly that the Malaysian Government has refused to agree to a price rise for cement since 1975...

Arab link for Dutch copier group

BY CHARLES BACHELOR IN AMSTERDAM DUTCH COPIER GROUP, Ocean der Grinten will take a 25 per cent stake in a joint venture to be set up in the Middle East...

Control of Argus passes to Hollinger

TORONTO — Control of Argus Corporation, the Canadian holding company which has the major stake in Massey Ferguson, Dominion Mines and Domtar, has passed to Hollinger Industries...

outstanding Class C preference and common shareholders. It then gave both shareholders the option to receive one share of Hollinger for each four Argus shares.

Bond issue

considering floating a year bond on U.S. market reports from Helsinki...

First Viking commodity trusts

OFFER 45.3 BID 43.0

Commodity & General Management Co Ltd 10-12 St George's Street Douglas Isle of Man Tel: 0824 25615

Earnings advance at Russels

BY OUR JOHANNESBURG CORRESPONDENT RUSSELLS HOLDINGS, one of South Africa's largest furniture chains, reports sales and pre-tax profits up 14.7 per cent for the year ended April...

Earnings advance at Russels

would not enable higher profits to be earned. Turnover for the year totalled R135.3m (\$160.5m) against R117.9m while operating profits were R18.3m (\$19.52m) against R14.2m...

Flat quarter at Stauffer Chemical

NEW YORK — Stauffer Chemical expects second quarter earnings to be relatively flat compared with last year's \$1.07 a share before a 2.9 per cent split.

Flat quarter at Stauffer Chemical

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Paccar bid examined

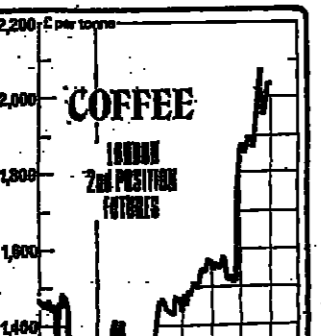
Paccar has been advised by the staff of the Federal Trade Commission that the staff has initiated an investigation of the proposed acquisition by Paccar of all of the stock of Harshneger Corporation...

The Energy Crisis Impact on commodities Inter Commodities Limited. Have produced a comprehensive report on how the crisis is likely to affect the supply, usage and price of the following raw materials...

COMMODITIES/Weekly review

Coffee cools down after supply squeeze crisis

market cooled down following a rise which lifted the cash price to a level earlier in the week. A shortage of nearby lifted cash tin to a new high on Thursday...



Nicaragua, London traders said. A special meeting of the International Coffee Organisation in London on July 10-11 will consider the price situation...

MARKET REPORTS

BASE METALS

COFFER — Based on the London Metal Exchange, the London market for the morning has climbed from \$201 to \$208 helped by trading buying...

COFFEE

After opening slightly lower Robustas remained locked in a tight range as heavy selling from one particular source continued to be absorbed by buyers...

COFFEE

After opening slightly lower Robustas remained locked in a tight range as heavy selling from one particular source continued to be absorbed by buyers...

GRAINS

Business done — Wheat: Sep. 93.50-93.25, Nov. 97.00-96.85, Jan. 101.25-101.00, Mar. 104.40-104.30...

AMERICAN MARKETS

COFFEE — C Contract July 199.11 (201.00), Aug. 198.50, Oct. 198.00, Dec. 197.50, March 197.00, May 196.50, July 196.00, Sept. 195.50, Nov. 195.00, Jan. 194.50, March 194.00, May 193.50, July 193.00, Sept. 192.50, Nov. 192.00, Jan. 191.50, March 191.00, May 190.50, July 190.00, Sept. 189.50, Nov. 189.00, Jan. 188.50, March 188.00, May 187.50, July 187.00, Sept. 186.50, Nov. 186.00, Jan. 185.50, March 185.00, May 184.50, July 184.00, Sept. 183.50, Nov. 183.00, Jan. 182.50, March 182.00, May 181.50, July 181.00, Sept. 180.50, Nov. 180.00, Jan. 179.50, March 179.00, May 178.50, July 178.00, Sept. 177.50, Nov. 177.00, Jan. 176.50, March 176.00, May 175.50, July 175.00, Sept. 174.50, Nov. 174.00, Jan. 173.50, March 173.00, May 172.50, July 172.00, Sept. 171.50, Nov. 171.00, Jan. 170.50, March 170.00, May 169.50, July 169.00, Sept. 168.50, Nov. 168.00, Jan. 167.50, March 167.00, May 166.50, July 166.00, Sept. 165.50, Nov. 165.00, Jan. 164.50, March 164.00, May 163.50, July 163.00, Sept. 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BOOKS

Churchill's wife

BY C. P. SNOW

Clementine Churchill by Mary Soames. Cassell £7.95, 556 pages

Lady Soames was born in 1922, the youngest child of Clementine and Winston Churchill. In that year Winston Churchill was 40, Clementine 37, and Mary (the future Lady Soames) was the youngest of the family that she was something like an only child. Maybe that helped her avoid the disasters that in time darkened the lives of her siblings. It certainly helped her become the main support and confidante of her mother right through the last sad years of Winston's extreme old age into Clementine's own life lived to be 92.

Without that intimacy, we shouldn't have had this remarkable book. It tells things that no one else could have known or had access to about the Churchills. It doesn't add any more information on Winston's political career. But Lady Soames has been able to use, with absolute integrity, first-hand knowledge of his and Clementine's days together. Above all, Lady Soames has been able to draw on an astonishingly rich domestic correspondence fuller than most marital interchanges, because Winston Churchill, though a devoted father and faithful husband, from the age of about 30 onwards found that he had more affection for his family when he was away from them, cruising with cronies or painting in the south of France.

This correspondence is something that historians dream of, and usually don't get. With one or two minor qualifications, Lady Soames's book would be a triumph coming from anybody. As she appears to have written nothing whatever before, those who persuaded her into writing it deserve some of the praise.

Clementine Churchill was an interesting and impressive character in her own right. Her long life was not much in the way of contentment, or psychological ease. She was honourable, dutiful to an extent that most of us never knew, intelligent, perhaps with a capacity for happiness that duty and an anxious temperament didn't often let break through.

For one preyed on by anxiety, she didn't have a specially good start. Her mother was the daughter of Lord and Lady Airlee. Lady Airlee was a Stanley, high principled, liberal in politics, not liberal when confronted with the drinking habits of the Scottish aristocracy, strong-willed, increasingly formidable as she survived, like her granddaughter, to a great age. Lady Airlee, Clementine's mother, she married a divorced woman, Colonel Hozer, much older than herself. Divorce wasn't a recommendation to the Airlees, but they may have been glad to get her safely married to anyone at all. However, she wasn't safely married. Children once born, she and her husband soon hated each other. It didn't take Lady Airlee long to find a lover. With maximum vindictiveness, and minimum allowance, her husband divorced her. Thus Clementine in her childhood lived in a state of genteel poverty, with the additional threat of being kidnapped by her father. For years Lady Airlee and her daughters existed in precarious exile in Dieppe.

Clementine wasn't her mother's favourite child. She was clever, handsome rather than pretty, had a subdued kind of personal distinction, and could be attractive to anyone who reached under her reserve. She didn't give affection or trust easily as a girl, nor ever afterwards. Back in London, she had offers of marriage, was engaged more than once, didn't trust her own instinct. She didn't really trust it when Winston Churchill came along, aged thirty-four, already well known, an adventurous record established, soon to be the youngest member of Asquith's Cabinet. He was as impetuous as she was, and his mother expected him to marry Clementine. For the seven years she devoted herself to his concerns and well-being.

Lady Soames's documents and insights say much more than has been published before about the history of that marriage. Detached observers in the future may ask questions which a daughter wouldn't and couldn't ask, but those can wait for biographers a generation ahead. From the evidence, we do know that she wasn't often free from

strain. Not about other women. That wasn't a predilection of Winston Churchill's—and politics she could cope with. She was a political animal herself. Her political judgment in terms of the Parliamentary politics of their time, was better than his. She wasn't at all overborne by him, and gave good advice, not often taken. She was almost certainly right to tell him to resign immediately after the second world war, and not fight another election.

On the other hand, she hadn't the habit of nondescript cordiality, which comes easy to most politicians and politicians' wives. She couldn't be meaningfully forthcoming to everyone she met. She didn't like people who didn't come up to her own high standards of honesty.

Unfortunately this ruled out most of Winston's closest friends, and it made a constraint between them. She was much more deeply radical than Winston ever was, and she was happier with the days of liberal social reform than she was to be again in political life. But she couldn't suppress her suspicions of Lloyd George, or Max Beaverbrook, or F. E. Smith, and later of Brendan Bracken. Some gambled, some drank, some had disreputable affairs, and she was anxious about that influence on Winston. Here she was wrong. She was shrewder than Winston about people. He wasn't much interested in people. But he was interested in talent. Clementine found it hard to admire talent in men she distrusted. She couldn't admit the political genius of Lloyd George. Winston's life would have been less effective without the company of these sinister characters.



Clementine Churchill in 1908

into an estate which brought in £4,000 a year, which was substantial in the early twenties. Clementine thought that she was released from financial anxiety for good. Not a bit of it. Winston, for once and perhaps the only time deceiving her, bought Chartwell, which she detested. He became more lavish. Given invaluable advice by Bernie Baruch, he invested lavishly in Wall Street just before the crash, and lost almost all of the recent fortune. It took world fame before his writing made them something like rich.

Clementine had a good deal to take. Still, he revealed himself to her as he did to no one else. He was not given to introspective thoughts about himself, and more than to psychoanalyse other people. He was (Lady Soames remarks that he regarded any kind of mental suffering with total incomprehension). Yet he did confess to Clementine that he was inconsiderate beyond any tolerable limits, that he knew how much trouble his egotism caused. There is an even more

surprising passage in a letter to her written just before August 4th, 1914:

"Everything tends towards catastrophe and collapse. I am interested, geared up and happy. Isn't it horrible to be built like this? The preparation has a hideous fascination for me. I pray to God to forgive me for such fearful moods of levity. Yet I would do my best for peace."

He enjoyed war. It is fortunate for a good many of us that he did. Readers beginning Lady Soames's book will find the first chapters not well written. There are too many superlatives, excited adjectives, and clichés. Editing can be overdone, but there is a certain amount of it which would have been more than permissible. As the author got more practice, though, the writing becomes far firmer and more restrained. The description of the deaths of both Winston and Clementine are done with extreme delicacy and understated strength and are difficult to read without emotion.

Fiction

Mother's ruin

BY ISOBEL MURRAY

Mother's Day by Robert Miner. Quartet Books, £4.95, 250 pages

Island by Peter Benchley. Andre Deutsch, £4.50, 239 pages

That Old Gang of Mine by Leslie Thomas. Ryas Methuen, £5.50, 200 pages

The Swan by Donald Hutley. Collins, £4.95, 221 pages

If women ever tried to explain to men the experience of motherhood, they gave up long ago. One feature of today's women's movement is an effort to describe the experience to each other, to share and confess the horrors and harrowings, the momentary blisses and the unending grind. This mutual confession is just beginning.

But no woman to my knowledge has written quite so effectively about modern motherhood as Robert Miner. His book *Mother's Day* begins: "Whatever you may think you think I am a mother." His narrator, Matt Vole, is left by a liberated wife with a two-year-old boy and a baby girl, and his experience of "motherhood" for all its individuality has an authenticity and universality that takes the breath away.

The experience he describes is often terrible. The material situation is difficult, the emotional pressure rises fast, and the unendurability of life in close proximity to two tiny tyrants is communicated fiercely, as Matt's desperation grows. He is prone to nightmare visions of awful accidents when a child is out of sight, his reaction to finding that Thomas has not after all fallen from a high window is not relief—it is a strong temptation to throw him out. And passionate, protective love can tear him almost apart.

So Robert Miner tells two stories, the tacitly hidden age-old one about motherhood generally, and a very novel one about the aphrodisiac effect a male mother with young has on the female sex, and the various kinds of chaos that result.

Both of these are stories full of pain, and despair, and hard slog, but *Mother's Day* is, miraculously, an extremely funny novel. Miner has a real gift for barbed prose: his hero develops "mettle fatigue", and he has an eye for visual effect—the newly-standing baby girl proudly directing the stream of her father's urine. Knee-deep in smelly nappies, Matt Vole speaks to and for the mothers of the world. An extraordinary first novel.

Peter Benchley (of *Jaws*, and *The Deep*) has found the sea a rewarding scene, and in

Island he takes us to the Caribbean for his strangest story yet. In a few years, more than 600 boats have disappeared in a particular area and the only man—a Coast Guard—who got alarmed about it is grounded on shore in charge of light-houses. We witness some incidents, as swift and savage as they are bewildering and largely ignored.

But Blair Maynard, an unsettled New York journalist, feels impelled to investigate. With his young son he flies to a tiny island group, and when held up there they go fishing. From there on, Maynard learns the secret the hard way. It is a bizarre story, and though it is said to be based on historical research, I find it quite incredible.

No harm in that, however, and it makes a rattling good yarn, professionally told and constructed. Most of the characters are necessarily two-dimensional—too many come to violent ends for us to care about them—but they are varied enough. Success is predicted, and the director will have great fun with the film.

Leslie Thomas's *That Old Gang of Mine* could make a lively film also, for its main situation is a visually entertaining one. A depressing geriatric resort in Florida is livened up by the formation of a gang of robbers, and the "little old lady" totting a gun is the one basic joke.

Perhaps this is unfair to Thomas, but not very. His older characters have some charm; K-K-K-Katy, the gently ageing dancing girl and her fiancé, former strong man Lou the Bar-

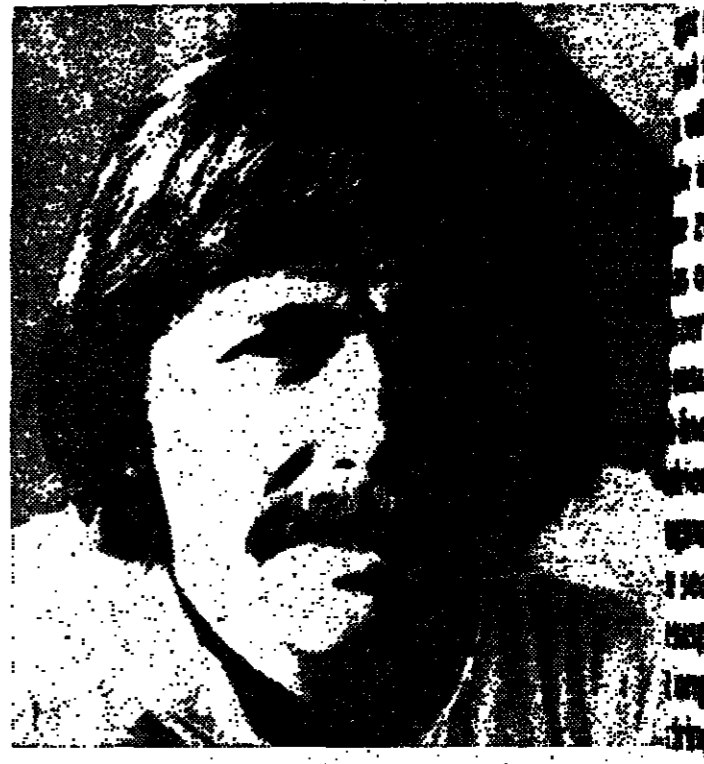
bender, and Molly Mandy who loves planning raids, does not wear a hood or a mask, but doesn't like taking the money. At the Greek who jogs relentlessly: "While I'm running I'm living."

While it rather resembles an anglicised Runyon-and-water, this is mildly entertaining. But the two young men and the girl and the inevitable and quite unnecessary "bedroom" scenes in or out of doors, are predictable and unconvincing. Thomas clearly believes a dash of energetic sex essential to the wide market he aims at.

Donald Hutley's *Nobel*, *The Swan*, is set outside Bristol, and his characters have more vitality. Principally, there is Alexander Jones, former police officer, former mental patient, current Santa and pie-factory cleaner. Alexander is mad and proud, and knows that building a boat to sail to his native Wales is a mad scheme, even as he does it.

Paradoxically this makes him less mad than his protective friend, Henry Moorhouse, who employs him at the Good-O factory. Henry has made a plot out of pies but his ambition is limitless, and his fate inevitable. The massive automated sausage roll plant that one man operates alone if he takes the safety grilles, predictably swallows up Henry.

It is I think permissible to reveal this, because the book crammed with characters whose sanity is similarly in inverse ratio to what society judges. I think the book just a fraction too long, but it is a promising second novel with a distinctive black comic style.



Robert Miner

Big is beautiful

BY RACHEL BILLINGTON

Now, God Be Thanked by John Masters. Michael Joseph, £6.50, 589 pages

There are those whose spirits lift at the sight of a big book and those who feel a personal threat. The latter recoils from added avoidupois as he might from an overweight woman. It is a vulgar and indecent sight and should be put on a diet at once. Interestingly this reaction isn't confined to those who might be accused of feeling a little literature goes a long way. They are often people whose life is bound up with writing—reviewers, publishers, even authors.

They form a strong lobby. All have their own axe to grind. Long books make reviewers' jobs harder, long books cost publishers more to produce, long books are a reproach to writers of short books whose natural paranoia encourages them to fear they are giving short value.

These arguments are, of course, trivial, nothing to do with the real judgment of literature. More basic is the effect of instant communication, either by film, television or commercial in the visual medium, or radio and journalism in the spoken and written medium. A ten-page description of a South American rain forest will take ten seconds in a television film, be used as background for a deodorant commercial and be reduced to a by-line in a newspaper. It is difficult for a novelist not to become conditioned.

For all these reasons, the big novel has become unfashionable. Its detractors even sink to blaming the "speed of modern life" for its failure. Yet, strange to say, the same "no-time" reader finds time to read wretched non-fiction which is thought to contain more re-

cyclable information. Moreover, the big novel produces a positively enthusiastic response in America, supposedly the country with the fastest pace of all. There, even reviewers and publishers welcome the clearly defined and clearly defined, which here would be relegated scornfully to the outside department. Indeed, a large-scale English writer like John Fowles has to cross the Atlantic for a fair appreciation.

All this is an appropriately long preamble to John Masters' long novel, *Now, God Be Thanked*. This runs for 588 large closely printed pages and is only the first volume of a trilogy entitled *Loss of Eden*. John Masters has never been frightened of his own words. In a distinguished career he has already produced 21 books, many of them substantial. But with this novel he seems to be entering on a new time-scale. The *Loss of Eden* is an important theme and he clearly feels justified in choosing a large canvas and a small brush. This first volume starts on July 4, 1914, at a sunny Henley Regatta and finishes with the death of a soldier killed in *No Man's Land* on Christmas Day, 1915. In between he covers the English class system from top to bottom (though predominantly in rural rather than metropolitan areas), industrial change both in England and America (mainly through the motor and engineering industries) and the war, both domestic and military, at home and abroad.

The cast of characters necessary to service such a plan, is correspondingly large, although confined primarily to several inter-related families, not easy to follow. A short course in Russian fiction would make a good training skirmish. Doubtless it is this sort of difficulty which will lead the "no-time" reader to overtake sharply on the left. His highly trained 20th century antennae will not be able to adapt themselves to the solidity of the proffered

fare. First, second and third cousins are best kept for a genealogical tree. A two-page evocation of a railway carriage c. 1914 is put across just as accurately and much quicker by the BBC. Let novelists do which here would be relegated scornfully to the outside department. Indeed, a large-scale English writer like John Fowles has to cross the Atlantic for a fair appreciation.

John Masters may well not thank me for this kind of defensive attitude. He certainly shows no lack of confidence. No urge to keep the story moving as an exciting helter-skelter above the slow-churning panorama he is painting underneath. In these 589 pages with its dozens of characters and settings, very little actually happens. If the pace speeds up within a particular episode such as a battle at sea or a rape in the woods, we are soon returned to base. The panoramic vision must not be undermined by the prominence of any one thread of character. As a poet's choice of a daughter tends to be more magnetic than a solid naval captain she must be brusquely dismissed to become mistress of a man of canvas. While the solid naval captain must be induced to commit suicide over a young seaman. It is not quite fair to say very little happens.

Big-book loyalists will have already recognised that in *Now, God Be Thanked* they have a book worthy of their faith. A book that will not go away for a very long time (unlike its nearest equivalent the TV serial which tends to run out of money after 6 episodes). The relaxation produced by such knowledge is a much healthier state of mind to approach a book than the usual frantic gulp and destroy. John Masters may make no converts to the big-book brigade but he will provide a satisfying diet of roast beef and dumplings for those whose stomachs are already expanded.

The sad corollary, it could do the big book cause no good to hide, is that he will confirm the butterfly brigade in their convictions. *Now, God Be Thanked* is not an exciting novel. It is not excitingly written. Mr. Masters' innovation of inserting newspaper clippings at intervals does not alter a pedestrian style. His point of view, his *Loss of Eden*, is not exciting nor even given much semblance of originality. The individual situations and characters, although accurate and convincing, lack the vividness of inspiration. It is a good solid piece of work, more. However, it is also no less. And would have been a great deal less if it had been narrowed down to a conventional 200 or 300 pages. Indeed it may well be more when it is more by another 1,000 pages or so. In other words, its main strength is its length.

A final corollary: there could be a big book that is a much better big book than this.

The men behind the economy

BY PETER RIDDELL

Who runs the economy? by William Keegan and Rupert Pennant-Rea. Maurice Temple Smith, £8.00 (hardback) and £3.95 (paper), 235 pages

The answer to the question in the title—who runs the economy?—depends on whether one believes the conspiracy or cock-up views of the world. The Labour trade unions and the Treasury (attacked from both right and left) can all be blamed. Alternatively, one can take a more resigned view that Britain's poor economic performance principally reflects long-run forces beyond the control of policymakers.

The authors argue that it is misleading to say that any one particular body is in real control of British economic policy. Instead they conclude that "for much of the 1960s and 1970s there appeared to be something like a cycle of influences." In the early stages of a government political influences are their most powerful as ministers try to implement manifesto commitments; then, as things begin to go wrong the official machine comes to the fore with options to deal with a crisis—usually in the financial markets. External pressures become more significant as international borrowing becomes necessary and the IMF may be involved. This pattern does not fit recent administrations in every respect but it has a general plausibility—especially for the 1974-79 Labour Government and, judging by the first two months, also for Mrs. Thatcher's Government.

The authors limit themselves to these general conclusions and do not go on to discuss how far this cycle is the result of underlying constitutional or political weaknesses or of the incoherence and divisions of British economics. The cycles of influence may be less marked in countries where there is more agreement among economists, officials and politicians about how the economy works.

The deliberate aim of the book should be primarily descriptive and they are well qualified to set out the process of policy-

making. William Keegan and Rupert Pennant-Rea each had a spell at the Bank of England before taking up their current posts at the Observer and Economist respectively. Moreover Bill Keegan, who wrote two-thirds of the book, also had the singular advantage of observing policy-making for nine years as economic correspondent of this paper.

One result is a notably honest and balanced discussion of the two-way influence between the press and the official machine which undermines the common assumption that almost any scoop is a deliberate leak. This view underestimates both Whitehall's obsessive secrecy and adherence to the rules and the journalists' ability (occasionally) to find out for himself from a wide variety of sources.

The authors admit in their preface that the nature of the book evolved during writing from just an examination of the policy-making machinery into a broader discussion of outside forces accompanied by some historical narrative. The blend is sometimes slightly confusing, but the book fulfils a clear need by providing an up-to-date insight into how policy-making works. This should appeal to both businessmen wary and ignorant of Whitehall and to students who are familiar enough with supply and demand curves but tired of out-of-date descriptions of the formal structure of institutions. There may be little flesh and blood in policy-making but the book conveys some of the aroma of the Treasury and Reform Club where much of the action (or inaction) occurs.

The book incidentally provides by far the best summary of the 1976 sterling and public expenditure crisis. Each stage of mismanagement, misunderstanding, wishful thinking and ultimate facing-up to reality (in the form of the U.S. Treasury) is brought out clearly. The record is perhaps over-sympathetic to the record of the authors' former employer, the Bank of England. But that could, of course, be the limited perspective of a reviewer who has seen these events just from Fleet Street.

Almost Agatha

The Eleventh Little Nigger by Jacquemard-Sénécal. Collins, £4.95, 208 pages

The successful run of Agatha Christie's *Ten Little Niggers* at a Paris theatre is interrupted when all the members of the cast but one are found dead in their respective dressing-rooms.

Inspector Parascot and the surviving actor—who is also the narrator—solve the case using classic Christie methods; the ingenuity of both puzzle and solution is worthy of Dame Agatha herself, while the characters, though of necessity theatrical, are by no means cardboard cut-outs. ELIZABETH FORBES

In the stars

BY GEORGE MALCOLM THOMSON

Astrology and the Popular Press: English Almanacs, 1500-1800, by Bernard Capp. Faber and Faber £15.00, 462 pages

"It's all go for you from the time you get this morning, to the time you go to bed to night. . . Discussions in progress afford you an opportunity to bring your companions round to your point of view." So says my favourite soothsayer addressing me and the fortunate few who are like me. I am, let me explain, a Leo.

I do not know who she means by "your companions" who are coming round to "your point of view", but time, no doubt, will show. The point is that astrology is on the up, once more. It may no longer have the scientific prestige which it had in the days when it was almost the same thing as astronomy; the Queen probably does not read her horoscope in the evening paper with the same grave attention as the first Elizabeth listened to Dr. Dee, but the popular appeal of astrology is beyond question.

Sales of Old Moore's almanac have been soaring. In 1975, says Dr. Capp, who has given serious study to the matter, "its print order ran to 1.75m." This is an upswing such as any popular newspaper would be proud to announce: for in the late 1920's Moore was down to a miserable 16,000.

The growth of scepticism and the decline of religious belief have coincided with an increase in the power over public feeling of what had been previously disguised as a dubious, if not indeed false, science, an aspect of magic, practically witchcraft. It must be admitted at once that astrology has had its up and down. Jonathan Swift in 1708 launched a most powerful attack on the most successful almanac-maker (that is prophet) of his time, John Partridge, who not only foretold what was going to happen, but did so with a strong Whig bias.

Swift's attack on Partridge was of a subtle and deadly character. He announced that Partridge would die of a fever at 11 am on March 29, 1708, even in the British Pacific fleet, and a member of five crew of one of the five destroyers which sank the heavy cruiser Haguro on May 15, 1945, recorded that shortly before the action he thought "how lousy if we all rot killed after 'our war was over'."

The wits had no difficulty in refuting his arguments.

For a few years afterwards, no new editions of Partridge's almanac appeared and the Stationers' Company, his publishers decided instead to see if they could make money out of works which ridiculed him. However, it soon became clear that Partridge, dead or alive, commanded a wider market than his traducers. Astrology triumphed over the scoffers.

Partridge had already been involved in a bitter controversy during the Civil War. The Parliamentary astrologers clung to the old Ptolemaic astrology, which put the earth at the centre of the universe, while the Royalists believed, with Copernicus, that the sun was the centre-piece. Partridge, belonging to the Ptolemy school, was fiercely involved in the struggle between the sects, denouncing a rival as "one who whipped his wife 'the heliocentric way' (that is sun-centred)."

In those days, when religion, magic and science were all involved in complex debate, the astrologers were, on the whole, on the side of enlightenment. They thought that the earth was round and that it was separated by vast distances from other heavenly bodies. But these were opinions which it was wise to put forward with caution.

The terrible dangers of heresy and witchcraft hung over those who upset the traditional Christian view of the universe. John Reeve, a founder of the Muggletonian sect, was safer in his belief that heaven

itself was only six miles away. When Leonard Digge, in an almanac, asserted that the moon was 15,750 miles from earth, he realised that common sort "would be increased."

The astrologers were naturally worried by the covary that the universe bigger than they had thought they were prepared to realise 1,025 stars and no more otherwise the problem of influences would be too harrowing.

A turning-point in the history of astrology came in 1583 when on 28 April at twelve noon, green wind would spring and end the Jews' fast, marking the onset of climatic and leading to the of the world, invariably associated with the conversion of Jews.

The Bishop of London preached at Paul's Cross in an attempt to quieten the pervy which the prediction caused. And when the world did end and the Jews were not inverted, astrology suffered a proportionately a setback, which it had barely recovered when 1588, announced as *Annus Mirabilis*, "notorious famous," vindicated as appeared, astrology solidified. Dr. Capp, through detail, scholarly and slyly humorous, traces the course of the science during the three centuries when its prestige was high and Leo Arles, Sagittarius, the others reigned serenely their spheres. These are entertaining footnotes to history.

Unknown fleet

Sink the Haguro! by John Winton. Sealey Service and Co. £7.50, 182 pages

That part of World War II which consisted of the naval war against Japan has widely been looked on not only as an American affair, but one in which the Americans positively discouraged any attempt to join in by their allies. This was felt even in the British Pacific fleet, and a member of five crew of one of the five destroyers which sank the heavy cruiser Haguro on May 15, 1945, recorded that shortly before the action he thought "how lousy if we all rot killed after 'our war was over'."

In fact, our losses in action were only two, but the child, not detracted from skill and heroism displayed. The Nelson touch was evidence even to the blind shown by the commander of flotilla to a signal ordering to cancel the operation. The sinking of the Haguro was last destroyer action of the though it had no perceptible effect on its outcome. The story of it here is given in detail and constitutes a belated tribute to a fleet of which existence as Lord Mountbatten commented at the time, a public at home had not forgotten as never heard.

The Wagner Companion. Edited by Peter Burbidge & Richard Sutton. Essential reading for all who have felt the power and magic of Wagner's music. Hardback £12.50; Paperback £6.95. Faber

John Winton

هنا من الصور

Let us make it quite clear right from the start that the new T series is not an ordinary range or estate cars. They are Mercedes-Benz.

These are the first estates in the world that incorporate Mercedes-Benz's concept of design and engineering.

Take, for example, how we combine passive safety, such as the crumple zones and non-splintering materials, with our active safety.

The former will provide the very best protection in the event of an accident but the latter will give you all possible help to avoid such a situation in the first place.

In common with all of our models, the estate's road holding and manoeuvrability make the car's handling very precise and extremely sure-footed.

In fact, their suspension system is so sophisticated that it can on occasion compensate for a slight miscalculation on the part of the driver.

You will discover that the front axle is equipped with the same zero-offset steering device as our saloons have.

The zero-offset steering of course ensures the very best straight-line stability even in the most unfriendly driving conditions imaginable.

The seating is integrated into the suspension system. As a result long journeys become far less tiring because you are subjected to far less stress and strain.

All of these attributes will come as no surprise to anybody who has driven a Mercedes-Benz before.

Now we come to the part which previous owners will not know about, the major differences between the Mercedes-Benz saloons and the estates.

With a length of 1.23 metres and a maximum width of 1.48 the standard load space is large enough for the vast majority of journeys.

But you can stretch this area to 1.78 metres by a simple adjustment to the rear seat.

When you take the seat out completely you have a mammoth 2.03 metres.

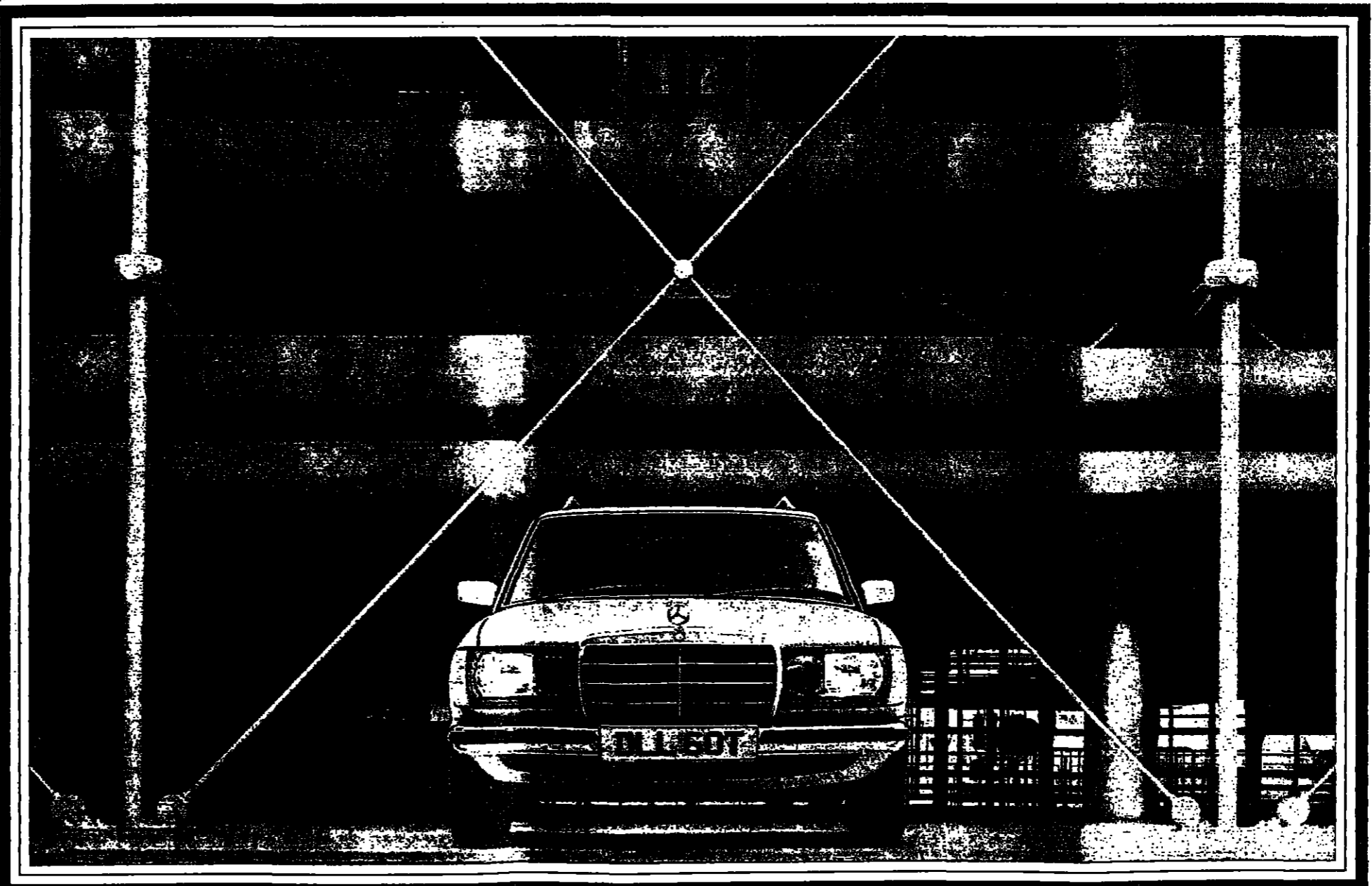
As the rear door opens well out of your way and with the floor being low and flat, loading and unloading becomes a very simple operation.

A very generous maximum of 560kg can be carried with no effect on the car's manoeuvrability because an automatic self-levelling device is fitted to every model as standard.

It works like this: overall load and the weight on the rear axle are monitored by a sensor.



EVERYTHING YOU WANT FROM AN ESTATE CAR. EVERYTHING YOU'D EXPECT FROM MERCEDES-BENZ.



And the information is instantly passed to the levelling device which is then controlled by oil pressure.

This operates during the time that the engine is running ensuring full spring-travel not only on good roads but also over poor surfaces and across rough terrain.

In other words a Mercedes-Benz estate behaves just as

certainly as a Mercedes-Benz saloon is designed to behave.

The new Mercedes-Benz T range offers you three engines, one diesel and two petrol.

Any one of the engines provides more than enough power to maintain cruising speeds when the cars are fully loaded.

The 2.4 litre four-cylinder diesel is a particularly reliable and economical power unit.

If you want a petrol engine there are the 250T and, the fastest car in this group, the Mercedes-Benz 280TE.

All three give you everything you want from an estate car, as well as everything you'd expect from Mercedes-Benz.



Mercedes-Benz

APPOINTMENTS Sir Idwal Pugh joins Halifax Building Board

Sir Idwal Pugh has been appointed a director of the HALIFAX BUILDING SOCIETY. Sir Idwal had a distinguished career in the Civil Service, which included appointments as deputy secretary to the Ministry of Housing and Local Government, Permanent Secretary to the Welsh Office and Second Permanent Secretary to the Department of the Environment.

Mr. Michael Coombs is leaving the partnership of GRIEVESSON GRANT AND CO. stockbrokers, and will be joining T. C. COOMBS AND CO. stockbrokers, from July 2 as an adviser on the UK and Australian markets.

Dr. J. Dickson Mahon, MP, former Energy Minister in the Labour Government, is to become non-executive chairman of RED PATH DE KROFT GALEY DOMANIAN, the offshore construction company, on July 4. He will take over from the present chairman, Mr. D. G. S. Waterston, who will remain on the Board as executive deputy chairman.

Mr. A. W. K. Penhaligon, director of marketing with South Eastern Gas, has been appointed deputy chairman of the North East Region of the British Gas CORPORATION from July 1. Dr. G. H. Henderson becomes computer policy manager to head the newly created BRITISH GAS computer policy group in London, and will be joining the IBM computer services department on June 25.

Mr. R. G. Lawson, chief accountant of the WATFALINGS group, is to become a director and also secretary. He will succeed Mr. J. C. Black, who is resigning from the board and as secretary on July 31, to take up another appointment.

Following the acquisition of HIGH DUTY ALLOYS EXTRUSIONS by the BRITISH ALUMINIUM COMPANY, Mr. L. S. F. Charles has become chairman and Mr. W. L. Atkinson joins the board of HDA Extrusions. Mr. J. A. Bailey, Managing director of that concern has been appointed to the Board of BA Extruded Products Division. Mr. Charles is deputy managing director of British Aluminium and Mr. Atkinson is managing director of BA Extruded Products Division. Mr. J. Shore, previously financial controller of HDA Extrusions, has been made a member of the Board as financial director.

Mr. David Freeland has been appointed industrial relations executive of the SHIP-REPAIRERS AND SHIP-BUILDERS INDEPENDENT ASSOCIATION. He was previously in the industrial relations division of the General Council of British Shipping.

Mr. Ronald Scheffer has been appointed a director of BRUNNZEEL STORAGE SYSTEMS. He was previously in the industrial relations division of the General Council of British Shipping.

Mr. James R. Stover has been elected president and chief operating officer of EATON CORPORATION. He was formerly vice-chairman, transportation products, Mr. Edmund B. Fitzgerald, vice-president, industrial products, has resigned from that position and from the Eaton Board.

Mr. John Ashcroft has been appointed deputy managing director of COLOROLL. Mr. Terry Robbins has been made export director on the Board and Mr. Don Smith becomes director of the Coloroll Packaging Division.

Mr. Karl-Johan Sallner has been appointed UK representative of the SKUPBANK GROUP from August 1, and will be based in London.

Mr. D. J. C. Sutherland, chairman and managing director of Miles Laboratories, has been

Table with columns for stock names and prices, including 'BRITISH FUNDS (37)' and 'FOREIGN FUNDS (3)'.

Table with columns for stock names and prices, including 'BANKS (125)' and 'BREWERS (24)'.

Table with columns for stock names and prices, including 'CORPORATIONS (21)' and 'COMMERCIAL (2,000)'.

Table with columns for stock names and prices, including 'PUBLIC BODIES (12)' and 'FOREIGN STOCKS (1)'.

Table with columns for stock names and prices, including 'COUPONS PAYABLE IN LONDON' and 'FOREIGN STOCKS (1)'.

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Stock Exchange dealings

Table showing stock exchange dealings for Thursday, June 21, with columns for date, time, and price.

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked as Thursday's list, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

Table with columns for stock names and prices, including 'BANKS (125)' and 'BREWERS (24)'.

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Advertisement for John Lewis sales in June ahead even of Christmas. Includes text about the week on department store sales, a guide to Dorset country walks, and helping the small business.

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Table listing various financial instruments, companies, and their prices. Includes sections for 'CAL AUTHORITY BOND TABLE' and 'BUILDING SOCIETY RATES'.

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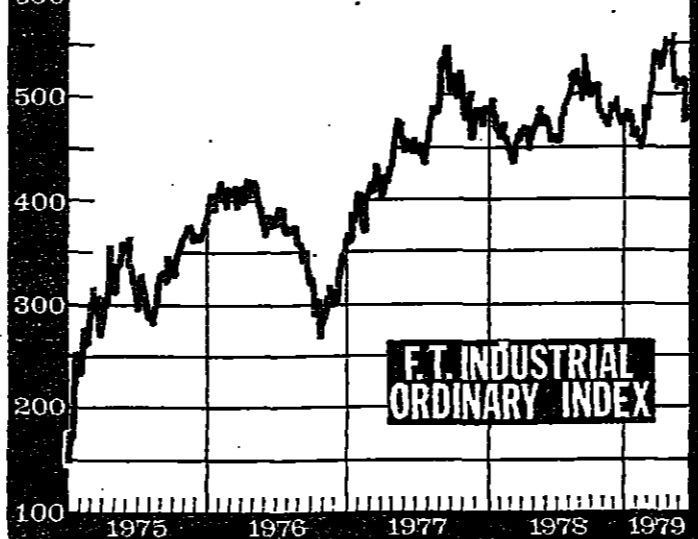
Notes and footnotes regarding the data presented in the tables, including interest rate calculations and currency exchange information.

Recent adverse economic factors inhibit trade in equities and Gilts—New long tap at small discount

Account Dealing Dates... *First Declared Last Account... The Bank of England's warning of a continuing squeeze on corporate earnings continued to weigh on equity sentiment...

Account Dealing Dates... Hill Proprietary... note and easiness was also apparent in Southern Rhodesian bonds, which lost a couple of points...

Viscose Dev. good... With the exception of Marks and Spencer, 2 harder at 114p, leading Stores turned lower. Gussies A declined 6 to 264p and renewed profit-taking in the wake of the proposed 20 per cent scrip issue...



LONDON TRADED OPTIONS table with columns for Option, Exch. price, Closing offer, Vol., Closing offer, Vol., Equity close. Includes sub-tables for July, August, and November.

Prov. Financial firm... A lethargic banking sector was featured late by a flurry of speculative interest in Provident Financial, which rose 5 1/2 to 247 1/2...

Insurance took a modest turn for the better and Phoenix rallied 4 to 240p and Royals 2 to 337p. Contrasting small features in the drinks sector were Mansfield Brewery, up 8 at 368p on the property revaluation plus 200 per cent scrip issues and Tomatin, which gave up 4 to 162p following the chairman's statement...

At first, finished a penny higher on balance at 158p, after Press comment drawing attention to benefits for the company of a 5 per cent devaluation in the Green Pound. Among Supermarkets, Carriers, at 130p, relinquished a penny of the recent speculative gain which stemmed from a revival of bid rumours. Watson and Philip remained at 48p; the price published in yesterday's issue was incorrect.

Publicity given to a broker's bullish circular failed to stimulate interest in Trusthouse Forte, which held at 160p. While Press comment highlighting bid possibilities made no impact on Comfort Hotels, easier at 27p. Metal Box down again. Still overshadowed by the Bank of England's gloomy projections about company profits in its quarterly bulletin, miscellaneous industrial leaders remained friendless. Additionally aggravated by a chart 'sell' recommendation, Metal Box fell away to sustain the heaviest fall of 10 at 274p to take its decline on the week to 26p. Bechtel and Colman gave up 7 to 453p and Unilever dipped 9 1/2 to 577p as did Pilkington to 310p. Secondary issues were notable for a late fall of 10 to 88p in Highgate and Job on the omission of a final dividend and annual deficit. Details of the proposed 5 1/2 per cent scrip issue prompted a fall of 5 to 244p after 53p in Hargreaves and ICL cheapened 5 further to 453p on fresh concern over the possibility that the NEB might soon sell its 24.2 per cent shareholding. The Board's warning about current year prospects brought selling pressure to bear on Wilkinson Match and the close was 10 easier at 165p, but buying on consideration of the group's North Sea oil interest helped it to close at 68 1/2p. A recent speculative rise at 170p, but Alkerm and Smithers were helped by favourable Press comment and improved 2 to 230p. P & O touched 98p following confirmation that BP is to purchase its North Sea oil interests for around £32m before late selling brought a close of 96p for a long time. Elsewhere in Shipping, a good turnover developed in Furness Withy, 8 better at 296p, as the boardroom tussle KCA and Eurocanadian increases; European Ferries, which holds a 5 per cent stake in Furness, eased 6 to 141p on fears that it could be drawn into the dispute. Company statements provided Plantations turned lower again, mainly reflecting the lower dollar premium. Bertam. RTZ lose ground. UK-registered Mining Financials were weaker as moderate selling found buyers scarce. Rise

FINANCIAL TIMES STOCK INDICES table with columns for June 22, June 21, June 20, June 19, June 18, June 15, June 14, and % Change. Includes Government Secs, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS table with columns for High, Low, High, Low. Includes Govt. Secs, Fixed Int., Ind. Ord., Gold Mines, etc.

RISES AND FALLS table with columns for Rise, Down, Same, Up, Down, Same. Includes British Funds, Can. Dom., Foreign Bonds, etc.

ACTIVE STOCKS table with columns for Stock, Denomina., No., Closing price, Change, 1979 high, 1979 low. Includes BP, Raco, Ultramar, Cons. Gold Fields, etc.

OPTIONS table with columns for DEALING DATES, NEW HIGHS AND LOWS FOR 1979, RECENT ISSUES, EQUITIES, FIXED INTEREST STOCKS, RIGHTS OFFERS. Includes various stock categories and their prices.

FT-ACTUARIES SHARE INDICES table with columns for EQUITY GROUPS & SUB-SECTIONS, Index, Day's Change, etc. Includes Building Materials, Electricals, Engineering, etc.

FIXED INTEREST PRICE INDICES table with columns for British Government, 1-5 years, Over 15 years, etc. Includes yields and prices for various bonds.

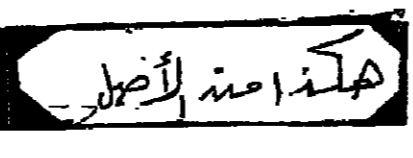
BASE LENDING RATES table with columns for Bank, Rate, % per annum. Includes A.B.N. Bank, Allied Irish Banks Ltd., Amro Bank, etc.

Table with columns for Issue Price, Latest Date, Stock, etc. Includes various financial instruments and their details.

Table with columns for Equity Section or Group, Base Date, Base Value, etc. Includes Pharmaceutical Products, Other Groups, etc.

Table with columns for Issue Price, Latest Date, Stock, etc. Includes various financial instruments and their details.

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AUTHORISED UNIT TRUSTS

Table of authorized unit trusts including: Friends' Provident Unit Tr. Mgrs., Mutual Unit Trust Managers, National and Commercial, National Provident Inv. Mgrs., National Westminster, NIEL Trust Managers, Norwich Union Insurance Group, Pearl Trust Managers, Pelican Unit Admin., Perpetual Unit Trust Mgmt., Provincial Life Inv. Co., Guardian Royal Ex. Unit Mgrs., Premier Unit Admin., Shaw & Co., Lloyds Life Unit Mgrs., Local Authorised Mutual Inv., M & G Group, and various other trust managers.

Table of insurance and property bonds including: Crown Life Assurance, Lloyds Life Assurance, Prudential Parolons Limited, and various other insurance companies.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds including: Crown Life Assurance, Lloyds Life Assurance, Prudential Parolons Limited, and various other insurance companies.

Table of offshore and overseas funds including: Tower Unit Trust Mgmt., Trades Unit Trust Management, Transatlantic and Gen. Secs., and various other investment funds.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including: Alexander Fund, Camp Sea Management, Keyser Thomson Ltd., and various other international investment funds.

NOTES
Prices do not include premium, except where indicated.
Funds (where relevant) allow for all appropriate charges.



FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield.

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Table of funds categorized by 5 to 15 year maturity.

Over Fifteen Years

Table of funds categorized by over 15 year maturity.

Undated

Table of undated funds.

INTERNATIONAL BANK

Table of international bank funds.

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Table of corporation loans.

LOANS

Table of general loans.

Public Board and Ind.

Table of public board and industrial loans.

Financial

Table of financial loans.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

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Table of American stocks.

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies.

BANKS & HP—Continued

Continuation of banks and hire purchase table.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building, timber, and road companies.

DRAPERY AND STORES

Table of drapery and store companies.

ELECTRICAL AND RADIO

Table of electrical and radio companies.

CHEMICALS, PLASTICS

Table of chemical and plastic companies.

ENGINEERING—Continued

Continuation of engineering companies table.

CHEMICALS, PLASTICS—Cont.

Continuation of chemical and plastic companies table.

ENGINEERING—Continued

Continuation of engineering companies table.

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ENGINEERING—Continued

Continuation of engineering companies table.

CHEMICALS, PLASTICS

Table of chemical and plastic companies.

ENGINEERING—Continued

Continuation of engineering companies table.

Table of food and grocery items.

HOTELS AND CATERERS

Table of hotels and caterers.

INDUSTRIALS (Misc.)

Table of miscellaneous industrial companies.

INDUSTRIALS (Misc.)

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INDUSTRIALS—Continued

Table of industrial stocks including Shell, BP, ICI, and various engineering and manufacturing firms. Columns include stock name, price, and percentage change.

INSURANCE—Continued

Table of insurance companies such as Lloyds, Norwich, and various life insurance providers. Columns include stock name, price, and percentage change.

PROPERTY—Continued

Table of property-related stocks and trusts, including various real estate investment trusts. Columns include stock name, price, and percentage change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts offering diversified portfolios of stocks and bonds. Columns include trust name, price, and percentage change.

FINANCE, LAND—Continued

Table of financial and land-related stocks, including banks, insurance, and land development companies. Columns include stock name, price, and percentage change.

Chestertons logo and text, likely an advertisement for a real estate or financial services firm.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks, including various iron ore and coal companies. Columns include stock name, price, and percentage change.

TINS

Table of tin mining stocks, including companies like Anglo-Tanzania and others. Columns include stock name, price, and percentage change.

COPPER

Table of copper mining stocks, including various international copper producers. Columns include stock name, price, and percentage change.

MISCELLANEOUS

Table of miscellaneous stocks, including various international and specialty companies. Columns include stock name, price, and percentage change.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

REGIONAL MARKETS

Table showing regional market data for various countries and regions, including indices and price movements.

OPTIONS 3-month Call Rates

Table of 3-month call option rates for various stocks, including strike prices and option prices.

LEISURE

Table of leisure and entertainment stocks, including media and recreation companies. Columns include stock name, price, and percentage change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including automotive and aviation-related companies. Columns include stock name, price, and percentage change.

SHIPPING

Table of shipping stocks, including various maritime and logistics companies. Columns include stock name, price, and percentage change.

SHOES AND LEATHER

Table of shoes and leather goods stocks, including retail and manufacturing companies. Columns include stock name, price, and percentage change.

SOUTH AFRICANS

Table of South African stocks, including various companies listed on the Johannesburg Stock Exchange. Columns include stock name, price, and percentage change.

TEXTILES

Table of textile stocks, including various clothing and fabric manufacturers. Columns include stock name, price, and percentage change.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks, including companies that manufacture or sell trucks and vans. Columns include stock name, price, and percentage change.

COMPONENTS

Table of component stocks, including various parts and accessories manufacturers. Columns include stock name, price, and percentage change.

GARAGES AND DISTRIBUTORS

Table of garage and distributor stocks, including companies that sell or service vehicles. Columns include stock name, price, and percentage change.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks, including media and communication companies. Columns include stock name, price, and percentage change.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks, including various media and service companies. Columns include stock name, price, and percentage change.

PROPERTY

Table of property-related stocks, including real estate and land development companies. Columns include stock name, price, and percentage change.

OVERSEAS TRADERS

Table of overseas trader stocks, including companies that trade internationally. Columns include stock name, price, and percentage change.

TEAS

Table of tea stocks, including various tea companies and producers. Columns include stock name, price, and percentage change.

INDIA AND BANGLADESH

Table of Indian and Bangladeshi stocks, including various companies from these regions. Columns include stock name, price, and percentage change.

SRI LANKA

Table of Sri Lankan stocks, including various companies from Sri Lanka. Columns include stock name, price, and percentage change.

AFRICA

Table of African stocks, including various companies from the African continent. Columns include stock name, price, and percentage change.

MINES CENTRAL RAND

Table of Central Rand mining stocks, including various gold and mineral producers. Columns include stock name, price, and percentage change.

EASTERN RAND

Table of Eastern Rand mining stocks, including various gold and mineral producers. Columns include stock name, price, and percentage change.

FAR WEST RAND

Table of Far West Rand mining stocks, including various gold and mineral producers. Columns include stock name, price, and percentage change.

O.F.S.

Table of O.F.S. (Overseas Financial Services) stocks, including various international financial companies. Columns include stock name, price, and percentage change.

FINANCE

Table of finance stocks, including banks, insurance, and other financial institutions. Columns include stock name, price, and percentage change.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks, including various mining and trading companies. Columns include stock name, price, and percentage change.

FINANCE

Table of finance stocks, including banks, insurance, and other financial institutions. Columns include stock name, price, and percentage change.

CENTRAL AFRICAN

Table of Central African stocks, including various companies from the African continent. Columns include stock name, price, and percentage change.

M&G YEAR BOOK 1979 Not applicable to E.P.

MAN OF THE WEEK

Host to the boat people

BY PHILIP BOWRING

THE GOVERNOR of Hong Kong, Sir Murray Maclehoze, must be surprised to find himself performing on the world stage, with visits to London, New York, Washington, and Geneva.



Sir Murray Maclehoze More power than any Minister in Britain.

most recently for six months to tide the British Government through the election period. Sir Murray seems to have taken to his wider role with relish, combining a diplomatic understatement with a steady treatment of the facts worthy of a Scot.

He may ironically thus have made it easier to admit a successor. It is a reflection of the parochialism of British public life that few persons of standing have been interested in being Governor of Hong Kong.

Sir Murray, now 61, has grown with the job. A product of Rugby and Balliol, he has spent most of his life in diplomacy apart from Navy service during the war, and much of it in the East.

His critics say he has been following a policy dictated more by London than by his own judgment. Certainly he came under a lot of pressure from the Labour Government to increase taxes and social spending.

China's approval of Hong Kong's situation was expressed by inviting Sir Murray to visit Peking earlier this year where he met Vice-Premier Deng Xiaoping that is the point at which Sir Murray might have liked to retire.

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Butter 'to fall by 6p a lb'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BUTTER PRICES are expected to fall by 6p a pound as a result of a special EEC butter subsidy for Britain, agreed during the farm price negotiations in Luxembourg.

The subsidy, costing £30m and due to operate for nine months, starts next week. It comes alongside the 1.5 per cent average increase in EEC agricultural prices, except milk, and the 5 per cent devaluation of the Green Pound hammered out in Luxembourg on Thursday night.

There will be a comparable reduction in New Zealand butter prices with a cut in the special levy imposed to bring them nearer EEC levels.

The surprise announcement of the butter subsidy was made by Mr. Peter Walker, the Agriculture Minister, in the Commons yesterday. As a result, he said, the farm price package would bring substantial benefits to both British consumers and farmers.

Mr. Walker maintained that overall the 5 per cent devaluation of the green pound would increase food prices by 1 per cent. But allowing for the butter subsidy this would mean a rise of only one-quarter of 1 per cent in the retail price index.

With the freeze on milk prices, the overall farm price increase agreed at Luxembourg worked out at only 1.2 per cent, not 1.5 per cent, the lowest ever.

He did not speculate what effect the rise in common form prices would have on the retail price index. Ministry of Agriculture officials, however, said that the effect at the moment will be negligible because EEC farm prices are above the intervention level.

The Minister also rejected Labour allegations that he had reneged on the Conservative pledge to press for reforms of the CAP.

He argued that as a result of the deal, the agricultural budget, now running at £6.5bn, would be reduced. Although the 1.5 per cent increase in farm prices would add £75m to expenditure, the green pound devaluation would reduce Community spending by £90m.

Mr. Mason accused him of employing heavy camouflage in his statement. The Government's stated intention had been to get a freeze on agricultural prices yet Mr. Walker had failed in this, even though he had the backing of the entire EEC Commission.

John Harrington writes: Mr. Walker continued his defence of his conduct at the Luxembourg negotiations at a Press conference later yesterday. The extra cost of the package to the Community was not between £600m and £900m as reported in Friday morning's Press, but £7.5m, he repeated.

Mr. Walker came under bitter attack from Labour MPs for his failure to secure a freeze on farm prices or to make headway in getting reforms of the Common Agricultural Policy.

According to Mr. Roy Mason, Labour's shadow Agriculture Minister, Mr. Walker had been "whipped" at Luxembourg and earned Britain the reputation of "the weak man of Europe."

He had betrayed the EEC Commission and personally betrayed Mr. Finn Olav Gundelach, the Agriculture Commissioner, over reform of the CAP.

But Mr. Walker received strong support and endorsement from Tory MPs, who were particularly delighted at the price increases for British farmers.

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There is a crucial element missing from the British stock market: foreign demand. Sterling has been buoyant this week, rising to over \$214—its highest level for four years.

Normally the big international investors follow currency trends quite closely, so that stock markets move very much in line with exchange rates.

In early 1977, for example, overseas investors bought heavily into the British market when interest rates were high and the exchange rate was firm.

In February and March this year, too, they were strongly in evidence. But when the Bank of England on Thursday made offers of two partly-paid issues of Government stock—the kind of issue which is reckoned to attract the attention of foreigners—the response was poor.

So the stock market indices have stayed near their low post-budget levels this week—the FT Government Securities Index is up slightly on the five days, but the 30-Share Index is a net 2.5 points lower.

The foreigners may be impressed by Britain's oil wealth, but they are suspicious about our inflation and worried by the bad performance of British industry.

Moreover long term interest rates are not as high as they were in February, and many of the overseas speculators who dabbled in UK bonds and shares earlier in the year have had their fingers burnt.

The City's lunch tables are still buzzing with stories about big foreign buyers who are only waiting for the right moment to come in.

But in the meantime domestic investors hold sway, and they are not particularly flush with liquidity for the time being (though the £300m put up for the STC offer for sale on Thursday shows that they still have a penny or two to rub together).

The outlook is unexciting in the very short term. Yet July is a good month for cash inflows to the investment institutions so demand could build up as the weeks go by.

Some ratepayers have already received the questionnaires. Mr. Heseltine yesterday advised them to "hear them up."

Heseltine cancels rating revaluation

By Paul Taylor

UP TO 1,400 civil servants' jobs will be axed and £5m saved over three years as a result of the Government's decision, announced yesterday, to cancel rating revaluation on 32m properties in England and Wales.

The decision, although attacked by local authority associations, will please ratepayers. It means that those who have improved their homes in the last five years will not have to pay higher rates as a result.

The decision was announced by Mr. Michael Heseltine, Environment Secretary, in a written Parliamentary answer. Revaluation has been postponed twice since the present valuations were set in 1973.

The Association of District Councils expressed "bitter disappointment." The Association of Metropolitan Authorities said it was "deplorable."

Mr. Heseltine said that, apart from manpower and cost savings, the cancellation will "provide the opportunity for the Government to sort out the longer-term future of the rating system."

He suggested that it might be abandoned. The law requires a general rating revaluation every five years. A revaluation was due in 1978.

After the appointment of the Layfield Committee on Local Government Finance, the date for the new lists was postponed to 1980. Work was finally started on the review, to come into effect in 1982, last year.

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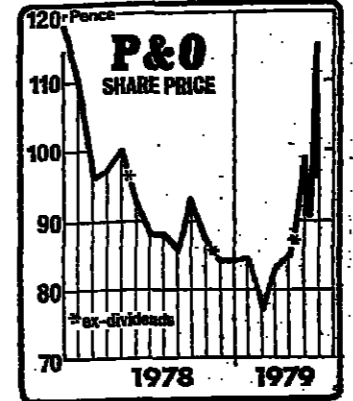
The total cost of the review would have been £10m over four years and a total of 1,000 full permanent staff and 400 short-term and casual staff had been taken on by valuation offices.

The Inland Revenue confirmed yesterday that there was a possibility that 1,400 jobs might have to go. This is to be discussed with staff representatives.

Local authority hostility to the decision is based on concern that rates will continue to be collected on the basis of unfair and inaccurate information.

Foreigners play a waiting game

Index rose 1.1 to 476.0



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total borrowings could fall by £150m or more by the end of 1980. Last December, they amounted to £282m which was very roughly in line with shareholders' funds.

The profit picture remains obscure, although rates are improving in some areas the strength of sterling must be a problem. However the City seems to have come round to the view that the dividend yield of just over 10 per cent is safe enough.

An if world trade is heading for mild recession in 1980, the reshaped P & O should be reasonably secure in financial terms. That does not make the share look particularly cheap at 99, but it may be that the days of outright discrepancy about the share price are over.

GKN will be left with A\$90 (\$47m) of the sale of its 51% share in John Lyons & Co. Australian steel sheet company goes through. Merely deposits in the Australian money market at 9 per cent, this will bring GKN more than the shareholding.

Lysaght passed its dividend in the last two years in debt since to the substantial debt had incurred through spending on new plant. Its earnings yield on the price GKN is being paid is, itself, only 2 per cent.

Although GKN will be taking a below-the-line book loss about £37m into its 19 accounts as a result of this, the company has put no new capital into Lyonsaght—short waived dividends—during a decade. The purchaser, Brook Hill Proprietary, provided the last major capital injection when it increased its stake to 50 per cent.

The sale is by far the largest in GKN's recent string of disposals. For about two years now the company has been intent on giving itself a simpler, more clearly defined structure, with the manufacture and distribution of automotive components being the most obvious area of increased emphasis.

Lysaght was GKN's or interest in the manufacture of steel sheet, and the original plans of its two shareholders expand the company upstream into steel making—well scuppered by the steel slum The A\$90m, which include A\$21m of dividend for current year, can be set aside—another of the basic ideas of the group's reorganisation.

Bank lending to individuals rises 24% in 12 months

BY MICHAEL LAFFERTY

BANK LENDING to individuals increased by 6 per cent in the three months to mid-May, bringing the rise in the 12 months to mid-May to 24 per cent.

Figures yesterday by the Bank of England show that bank lending for hire-purchase rose by 11 per cent in the three months, making the increase for the year highest for any category at 43 per cent.

This is believed to reflect gearing-up in the finance-house sector for the recent consumer spending boom. Bank lending to retail distribution concerns, was 10 per cent up in the three months, bringing the increase in lending in the past 12 months to 23 per cent.

The sharp increase in lending to this sector in the past quarter is probably explained by stocking up before the Budget.

The quarterly figures are difficult to interpret because they are not seasonally adjusted, and there can be distortions because of interest rate changes between periods.

The unadjusted increase in sterling advances and acceptances in the three months occurred mainly in the manufacturing, services and personal categories.

Lending to manufacturing rose by only 4 per cent, but the increase for the year to mid-May comes out at 26 per cent. This is faster than the growth in lending overall, which comes to 22 per cent for the year.

Within the manufacturing category the most prominent increases in lending in the three months came in chemicals and allied industries and textiles, leather and clothing.

Lending to agriculture was 9 per cent up for the three months, and 33 per cent for the year as a whole. Seasonal financing factors are thought to be particularly significant here.

Within the big clearing banks it is becoming clear that one or more banks could be in trouble with the "corset" lending restrictions. Individual banks are saying nothing about the Bank of England imposed restriction on lending.

It is being suggested in banking circles that the most likely banks to be facing problems are Barclays and, possibly, National Westminster.

Banking tables, Page 4

However, some Labour backbenchers felt it preferable to leave the initiative to the Tories. They suspected that they might be walking into a trap if they associated themselves too closely with a demand for an immediate pay rise of £2,500.

Another row over MPs' pay evaporated at the last minute yesterday. Under the Government's proposals, which were given a second reading, MPs sitting in Europe as well as Westminster, will be paid only one salary.

extremely hostile reception after Thursday's announcement about pay, is expected to try to arrange a meeting with Mrs. Thatcher as soon as possible.

However, since the Prime Minister is said to feel strongly that the increase should be phased in three stages, MPs consider that it may be difficult to persuade her to change.

That means that the motion will probably be amended by the House. A number of MPs hoped that all parties might be able to get together in tabling an amendment.

Hope slim for MPs' pay claim

BY ELINOR GOODMAN, LOBBY STAFF

THE Prime Minister returned to London yesterday to be advised that the Government has very little chance of getting the House of Commons to pass its proposals for phasing the proposed increase in MPs' pay.

Mr. Norman St John-Stevens, Leader of the House, is expected to discuss MPs' deep hostility to the proposal with Mrs. Thatcher at the weekend.

Mrs. Thatcher leaves London again on Tuesday for the world economic summit in Tokyo. Ministers may therefore not formally discuss the question until the full Cabinet meets again on Tuesday week.

By then, they may be hoping that public opinion will have persuaded MPs to drop their demands for quicker implementation of the Boyle Committee's recommendation that their pay should rise from £6,897 to £12,000.

Yesterday, however the signs that the Government had the choice of modifying its proposals and agreeing to implement the rise in two stages rather than the three rises of £1,700, the last in June 1981, it has decided on, or being defeated in the House.

The 1922 Committee of Conservative backbenchers, which gave Mr. St John-Stevens an extremely hostile reception after Thursday's announcement about pay, is expected to try to arrange a meeting with Mrs. Thatcher as soon as possible.

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Weather

There is no weather forecast because of a one-day strike by meteorological officers.

Table with columns for 'Y'day', 'Midday', and 'Y'day' for various cities including Ajaccio, Algiers, Amsterdam, Athens, Bahrain, Beirut, Biarritz, Bonn, Brno, Brussels, Bucharest, Casablanca, Cape Town, Chicago, Cologne, Copenhagen, Dublin, Frankfurt, Geneva, Gibraltar, Helsinki, Hong Kong, Istanbul, Jersey, London, Lyons, Madrid, Manila, Mexico City, Milan, Moscow, New York, Ottawa, Paris, Perth, Rome, Seoul, Singapore, Stockholm, Sydney, Taipei, Toronto, Warsaw, Zurich, London, Lyons, Madrid, Manila, Mexico City, Milan, Moscow, New York, Ottawa, Paris, Perth, Rome, Seoul, Singapore, Stockholm, Sydney, Taipei, Toronto, Warsaw, Zurich.

Money supply

dollar came under renewed pressure in foreign exchange markets yesterday. But in contrast to earlier in the week, sterling lagged behind the main Continental currencies.

The U.S. currency finished slightly above its lowest level following some Central Bank intervention and profit-taking. The dollar closed at DM 1.8550 against DM 1.8530 on Thursday, and at SwFr 1.6335 against a day's low of SwFr 1.6310 and SwFr 1.6265 previously.

The pressure this week has been the strongest this year. Since last weekend the dollar has declined by nearly 2 per cent against the Deutschemark and by 2 per cent against the Swiss franc.

This has been prompted partly by concern about the U.S. economy, as shown by the recent more rapid growth of the money supply. Sterling closed only 15 points higher yesterday at \$2.1415, after a high of \$2.1475. This is the highest closing level since December 1978.

Air services disrupted

At Gatwick seven planned flights in 10 took places, although delay ran to 1 1/2 hours. Standed airport was unaffected. No aircraft took off from Glasgow. Some 158 flights were affected, with many passengers for London being taken by coach to Edinburgh airport.

The British Airways Authority gave a warning that departures from Heathrow were likely to be affected for "at least" several hours today. Although the union and the Civil Aviation Authority agreed that about nine out of ten of the 1,500 jet air traffic control officers ignored the strike call, flights were handicapped by action by weather forecasters and by engineers who provide computer equipment.

The Meteorological Office said that basic weather information was provided for air and sea traffic although television and radio stations received no reports. Government dockyards, including Devonport, Chatham, Portsmouth, Rosyth and the Clyde-side nuclear bases were all stopped.

The nuclear reprocessing plant at Windscale closed and fuel element production at the Springfields plant at Present and uranium enrichment at the Capenhurst works in Cheshire

Extra Income

Budget appraisal. Schlesingers consider that the truly radical Budget represents an attractive incentive to savers and investors.

Schlesinger Extra Income Trust-8.8% p.a.-all equities, plus income growth. Whilst a higher yield could be obtained by investing in fixed interest stocks, such investments cannot increase their income and have less potential for capital growth.

The income record. For every £5,000 invested at the launch of the Trust investors have received the following quarterly cheques.

Table with columns for '£' and 'Income' for periods: Sept '77, Dec '77, Mar '78, June '77, Sept '77, Dec '77, Mar '78.

The Trust has a diversified portfolio of over 120 carefully selected shares - mainly.

To: Schlesinger Trust Managers Ltd., 140 South Street, Dorking, Surrey. I wish to invest £ in the Schlesinger Extra Income Trust at the price ruling on receipt of my cheque.

Schlesinger Extra Income Trust

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